

WU JIE

On
DENG XIAOPING THOUGHT



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Author's Preface to the Second Edition

To erect a magnificent building, it is necessary to study and understand the blueprint mapped out by its architect. With the cause of reform and opening up advancing expeditiously, a great upsurge in studying Deng Xiaoping's works has appeared throughout China and in the Party. The book *On Deng Xiaoping Thought*, which I have written, represents an effort conforming to the trend of the times.

I wrote *On Deng Xiaoping Thought*, on and off, between the second half of 1990 and the first half of 1992, against my busy work schedule. My main purpose in writing this book was to study and probe the entire theoretical framework of Deng Xiaoping Thought and its far-reaching historical value. Since its publication the book has been well received by readers and theoreticians alike. Some overseas newspapers have also given it full and favorable coverage. At the Symposium on Deng Xiaoping's Works in Beijing, sponsored by the Party School of the Central Committee of the Communist Party of China (CPC), the Chinese Academy of Social Sciences, the People's Publishing House and the Propaganda Department of Shanxi Provincial Party Committee on the eve of the convocation of the Fourteenth CPC National Congress, many well-known experts and scholars paid keen attention to and made encouraging remarks about the efforts made in this book to elaborate on the scientific concept and theoretical system of Deng Xiaoping Thought. Thanks to the enthusiasm shown towards this book by readers, experts and scholars, its first printing of 40,000 copies (Chinese edition) went out of stock in just over two months. It is therefore necessary to reprint it. This is quite beyond my expectations. In a sense, it is both a compliment and encouragement to me, which I greatly appreciate.

In the course of the great socialist modernization drive since the Third Plenary Session of the Eleventh CPC Central Committee, Deng Xiaoping's theory on building socialism with Chinese characteristics has been constantly improved upon and enriched. Meanwhile, the entire Party and all the Chinese people have gone through a process of cognition of this theory, gradually deepening their understanding of it. The succinct elaboration and evaluation of Deng Xiaoping's theory in the report delivered at the Fourteenth CPC National Congress represent the highest level of our understanding of this theory so far. However, just as we need to continuously explore the rich implications and scientific value of Marxism and Mao Zedong Thought, the elaboration and evaluation of Deng Xiaoping's theory by the Fourteenth CPC National Congress are by no means an end of the cognition process. Rather, they laid a solid foundation and opened a broader prospect for its development. An important task for theoreticians in implementing the call of the Fourteenth CPC National Congress is to conduct an in-depth study and exploration of the theoretical system of Deng Xiaoping Thought. The reprinting of this book demonstrates my theoretical pursuit.

The vitality of theoretical studies lies in their relevance to social practice. Theory should guide and go beyond practice. Valuable theoretical thinking should be based on reality and should represent forward thinking and foresight. It is therefore normal and unavoidable that some of the views and cognition in the theoretical studies may not receive people's immediate understanding or may even cause controversy. For instance, I once stated in my book *Systems Dialectics*, written in 1988, that "the ownership reform is even more complicated. The problems that will crop up in the process of this reform are not those that traditional theoretical thinking can cope with. In the two-opposing-extreme thought model there are only two ownership forms, either public or private. In practice, however, there are multiple economic sectors apart from public ownership. Obviously, if we simply group the economic sectors into two systems, socialist and capitalist, it will neither square with the

facts nor contribute to the development of social productive forces. From a systematic and dialectical point of view, whatever economic forms we adopt should be allowed in a socialist society and constitute components of the socialist economic structure so long as they serve the development of social productive forces."¹ At that time many people doubted my views. They worried that the distinction between socialism and capitalism would be blurred. However, the past few years of practice have proved these views correct. Comrade Deng Xiaoping gave a clear-cut answer to the question of distinction between socialism and capitalism during his inspection tour of southern China in the spring of 1992, that is, the chief criterion for judging capitalism or socialism should be whether it promotes the growth of productive forces. Then how to understand the scientific concept of Deng Xiaoping Thought? I am convinced that with progress in social practice and the vigorous development of socialist modernization, Deng Xiaoping Thought will shine ever more splendidly and its scientific concept will win general acceptance in both the Party and China.

I have made a few changes in wording in the second Chinese edition of this book. I should like to take this opportunity to express my hearty thanks to those leading members of the central government, friends in the academic community and readers who have cared about and supported the writing and publication of this book. At the same time, I sincerely hope that friends and comrades will continue to comment on this book.

Wu Jie
May 1993

Note

1. Wu Jie, *Systems Dialectics*, People's Publishing House, Inner Mongolia, 1988, p. 350.

Introduction

During the long process of integrating Marxism with practice in China there have been two historic leaps. The first leap took place during the New-Democratic Revolution, when CPC members, with Comrade Mao Zedong as their representative, found a correct road to the revolution on the basis of scientifically summing up experience, both positive and negative, and led the revolution to victory after overcoming countless difficulties and setbacks. The second leap has been taking place during socialist construction. Faced with serious setbacks in advancing the socialist cause both at home and abroad, the Chinese Communists, with Comrade Deng Xiaoping as their representative, have scientifically summed up historical experience, both positive and negative, assessed the world situation and development trends, and found a correct road to building socialism with Chinese characteristics. All these efforts have ushered the socialist cause into a new stage.

The scientific concept of "two historic leaps" itself shows that the two leaps have their own distinctive theoretical value. Mao Zedong Thought, the highest theoretical achievement of the first leap, is a crystallization of the wisdom of the whole Party and its first-generation leadership, headed by Comrade Mao Zedong. It represents the application and development of Marxism in China, serves as the guiding ideology and is thus the valuable spiritual wealth of our Party. Without the guidance of Mao Zedong Thought, there would have been no victory of the New-Democratic Revolution or the establishment of a socialist system in China. However, like all other great theoretical thinking and scientific truth, Mao Zedong Thought marks only one stage in the development process from relative truth to absolute truth and can represent cognition of truth only at a

given time and in a given space. Mao Zedong Thought, whether in terms of its specific contents, making up its various components, or in terms of its living spirit, which runs through his entire thought system, has never preempted the continuous cognition and comprehension of the objective laws of the Chinese revolution and development. Rather, it has only laid a foundation on which to explore the objective laws. It is against the backdrop of long-term serious setbacks China encountered in its socialist construction and the enormous difficulties and serious challenges the world has faced in its socialist cause and amid the urgent call for realization of socialist modernization in China and rejuvenation of the world's socialist cause that the Chinese Communists made the second leap, leading China into another stage in probing the objective laws of the Chinese revolution and development. The second leap is a crystallization of the wisdom of the whole Party and its second-generation leadership, headed by Comrade Deng Xiaoping, with Deng Xiaoping Thought as its highest theoretical achievement. Deng Xiaoping Thought is the result of integrating the basic principles of Marxism and the living spirit of Mao Zedong Thought with the modernization drive and reform practiced in China. At the same time, it has inherited and developed Marxism and Mao Zedong Thought and represents a breakthrough and creation of Marxism in the new era by drawing upon and incorporating the rich nutrition from contemporary world civilization. In short, Deng Xiaoping Thought is a theory for socialist modernization that responds to Chinese conditions and conforms to the tide of history. It is a guiding theory of great significance to socialist modernization in China, as it is nourished by the systematic theory of Marxism and based on the theory of the primary stage of socialism and the theory of productive forces. Its principal structure is composed of the theory of building socialism with Chinese characteristics and that of world peace and development. The birth of Deng Xiaoping Thought reflects the choice made in practice, the needs of the times and the inevitable development of history.

The great cause of reform, opening up and modernization

in China since the Third Plenary Session of the Eleventh CPC Central Committee has, in fact, been carried out under the guidance of Deng Xiaoping Thought. Thanks to its guidance, China started, though it was very difficult at the beginning, the reform, opening up and modernization drive from the ruins of the disastrous "cultural revolution" and has since scored gigantic achievements in a brief period of over ten years. At the same time, Deng Xiaoping Thought has been continuously tested, enriched and improved in the course of the reform, opening up and modernization drive. Progress in the past more than a decade has eloquently proved that Deng Xiaoping Thought is a most direct, practical and fruitful guiding ideology. Whenever we followed its guidance, the reform, opening up and modernization drive proceeded smoothly. Whenever we deviated from it, we suffered setbacks. Allow me to use the evaluation of Mao Zedong Thought Liu Shaoqi made in his article "On the Party," written in 1945, to describe Deng Xiaoping Thought: It is the biggest gain and glory of our Party and people in their protracted struggle and it will benefit our nation from generation to generation into the distant future.

At present, high-tech revolution, economic integration, reform and opening up, and peace and development have become an upsurging world tide. Mankind is experiencing a great historic change of far-reaching significance and China is in a new era of a second revolution. The second revolution means great all-round change, involving all aspects and all facets, from productive forces to relations of production, from economic foundation to superstructure, and from ideology to the overall quality of people. To make it a success, it is necessary to continue to follow the theoretical guidance of Marxism and Mao Zedong Thought and to wholeheartedly and unreservedly accept the guidance of Deng Xiaoping Thought.

Under the guidance of Deng Xiaoping Thought we shall be able to ensure continued implementation of the basic Party line for one hundred years, because Deng Xiaoping Thought is the direct theoretical basis on which the basic Party line was established. Therefore, it provides us with a reliable theoretical

guarantee for upholding the basic Party line for one hundred years.

With the guidance of Deng Xiaoping Thought we shall be able to overcome all difficulties and setbacks in the course of the reform, opening up and modernization drive, as it scientifically sums up historic experience, both positive and negative, in pursuing socialism both in China and elsewhere. He has profoundly elaborated on a series of major issues such as the orientation, tasks and motivation of China's reform, opening up and modernization, as well as the domestic and international environment. His thinking has thus provided a scientific theoretical basis for reform, opening up and modernization and effective means for tiding over all difficulties and setbacks.

The guidance of Deng Xiaoping Thought also helps bring about a greater cohesion of Party and people and hence a strong upsurge in building socialism suited to Chinese conditions. Since the Third Plenary Session of the Eleventh CPC Central Committee reform and opening up have progressed rapidly and China has started a historic economic take-off with marked improvement in the material and cultural life of its people, thanks to the guidance of Deng Xiaoping Thought. Consequently, Deng Xiaoping Thought has enjoyed high prestige in the whole Party and among all the people and has produced a tremendous inspiration and a cohesive force.

Under the guidance of Deng Xiaoping Thought we shall be able to effectively prevent and oppose the emergence of erroneous Right and, especially, "Left" tendencies. Deng Xiaoping Thought itself is a result of the fight against an erroneous "Left" tendency that prevailed in the Party for a long time and caused great harm. It has provided a most effective and powerful scientific ideological weapon against Right and, particularly, "Left" influences in the Party.

With the guidance of Deng Xiaoping Thought we, the Chinese nation, shall be able to make greater contribution to the cause of human progress. At present, the world socialist movement is in an important stage. If we succeed in building socialism with Chinese characteristics and in turning China, an

Oriental country with one fifth of the world's population, into a powerful socialist country, it will undoubtedly be an immeasurable contribution to the world socialist cause and the cause of human progress.

Deng Xiaoping Thought is an open and developing scientific system. It lays stress on practice and an exploratory spirit. In order to understand and put into practice Deng Xiaoping Thought, I have done some exploratory study on it and hope that my study will attract comments from readers. The 21st century will see the gigantic dragon in the East enter a modern era and the world socialist cause thriving. Let's march forward courageously to the splendid dawn of the 21st century under the guidance of Deng Xiaoping Thought.

Chapter 1

Deng Xiaoping Thought: Development and Creation of Marxism in Today's World and in the New Historical Period in China

The 19th century, 20th century and 21st century.

We are now in the most exciting historical juncture in the span of 300 years. The Chinese nation, having experienced an agonizing period of confusion and twists and turns, is watching the changes in the world, listening to the ringing of the bell to usher in the new century and seriously thinking about the spirit of the times.

Marx and Engels predicted the inevitable birth of the socialist system on the basis of analyzing and criticizing the capitalist system.

From Lenin to Gorbachev the socialist movement experienced a process from a momentous start in the world to falling apart and becoming isolated. It once seemed that the socialist system would soon be eliminated from the earth.

Then when some prophets in the West arrogantly turned their eyes to this vast and mysterious land in the East, they felt stunned, perplexed and uneasy....

“Build socialism with Chinese characteristics.”

Deng Xiaoping, a great son brought up by the Chinese people with the nutrition of the several-thousand-year history and an old man in the East who has marched forward confidently amid the violent storm of the world today, has united the hundreds of millions of people with the strong voice of our time and beyond, in a courageous, steady and

pioneering march towards modernization, reform and opening up.

Social beings and social ideology interact on each other. The Chinese Communist Party and the Chinese people have created, on the basis of Mao Zedong Thought, the vivid, inspiring and profound spirit of the time—Deng Xiaoping Thought—by integrating Marxism with the socialist modernization drive in China.

Deng Xiaoping Thought represents the development and creation of Marxism in today's world and in the new historical period in China. It is not only a great banner for the social revolution in China today, but also a scientific theory and strategic concept about the greatest topic in the world today.

I. Development Course of World History from Modern to Present Times and the Destiny of Socialism in Modern Times

The Industrial Revolution gave birth to the capitalist spirit. The world came out of the dark Middle Ages and modern civilization emerged. The 19th century was a chapter in the history of capital written in commodities and money. Capital was a double-edged sword. On the one hand, it embodied the accumulation of wealth, technical progress and ethical equality. On the other, it caused aggravating poverty, cruel competition and rampant exploitation and oppression. Money pushed world history into a course of development in a magically swelling and spinning manner. History is history. It is not a sweet love letter, a tear-gathering event, or, still less, a maid of rulers of past ages. It marches along the track with the resonance of the innate logic of human society and chance occurrence. The great value of Marx's *Capital* lies in a penetrating criticism of the capitalist mode of production. More importantly, Marx discovered the historical trend towards change in the social and economic systems, a trend latent in the relationship between wage labor and capital production.

At the beginning of the 20th century major changes took

place in the capitalist mode of production: The capitalism of free competition was gradually giving way to monopoly capitalism. People used to believe that monopoly capitalism did not change the nature of the capitalist system. This view is not consistent with the logic of philosophy, nor does it square with reality. It was the monopoly nature of the capitalist mode of production that turned capitalists into their own gravediggers. The high degree of monopoly of capital facilitated the process of capital socialization, and social-capitalism was an appropriate intermediate link between capitalism and socialism, which would inevitably replace capitalism. In this momentous historical transition capitalism gradually approached old age and finally died a natural death. This is the very soul of Marxism. When a social mode of production is still able to develop productive forces, it will not step down from the historical stage on its own accord. Looking back to the second half of the 19th century, in the entire capitalist world equity capital, high- and new-tech revolution, the organizational revolution of enterprises and the information revolution accelerated the development of social-capitalism and hence the death of the capitalist spirit.

The October Revolution brought great changes to the world structure in the 20th century. Like a rising sun in the dawn of human society, the revolution gave birth to a world of two confronting camps—the capitalist and socialist camps. In over 70 years socialism has advanced triumphantly. In retrospect, the socialist movement in the period around the 1950s presented a splendid picture. Comrade Mao Zedong once described socialist development then like this: Never before have we seen people so energetic, high-spirited and enthusiastic. It was against this backdrop that socialist countries made big mistakes concerning the choice of system models and identification of social and economic development goals. The errors they committed included the theory of the will alone deciding everything; the economy under centralized control; the distribution model of all eating from the same big pot, a model running counter to the principle of fairness and efficiency; and blind and rash advance. In this sense the

avalanche in the former Soviet Union and other socialist countries in eastern Europe was not a defeat of socialism at all, but rather an inevitable result of deviation from the essential features of socialism. One has paid dearly for the lesson of history, but it can be predicted that what has been achieved in advancing the socialist cause has only laid a foundation for its revitalization in the 21st century. The socialists in China should be broad-minded and far-sighted. "A hero will be able to show his true quality only in the stormy sea."

II. Severe and Lingering Illness of China's Past and Revolution of Its Modern Society

The Chinese nation, with a splendid and heroic past, has tenaciously and tirelessly traversed a twisted path in its progress. The prolonged feudal society dragged China far behind other countries. The history of our nation in the New-Democratic Revolution was written with gunfire and in humiliatory language. After the founding of the People's Republic of China Mao Zedong and the Communist Party under his leadership worked hard to find a road to socialism suited to China's conditions and made remarkable achievements. However, the enormous inertia of the past often made it hard for the Chinese people to realize their dream of modernization.

In order to correctly understand the historical position of modern China in the social revolution, it is, first and foremost, imperative to make a penetrating analysis of its severe and lingering historical illness.

Self-seclusion. This was the fundamental cause of the difficulties that China encountered in development. The vast land, abundant natural resources, large population, strategic location in the world, its history of holding sway in the region several times, among other things, contributed to the "Middle Kingdom" mentality. This self-seclusion mentality was reflected in economic, political, cultural, scientific, technological, educational and other areas. It made up a comprehensive social

system and developed into a culture. Under this mentality the Chinese nation indulged in self-admiration in the big family of the world, which prevented it from entering into material, energy and information exchanges with the outside world. As a result, it lost development opportunities one after another, and its decline became inevitable.

Autocratic nature. In a seclusive society the only way to maintain stability of social operation is to form a vertical chain of command. The more seclusive a society, the more fragile its social structure and the more autocratic its command. The autocratic social system would thus inevitably sap the vitality and creativeness in social development. This also led to inevitable decline.

In-house fighting. This is a social and historical feature peculiar to China. In retrospect, the immeasurable social resources of this big Oriental country of ours have been wasted and lost in disastrous and intangible in-house fighting over the past hundreds or thousands of years. How can we not regret such huge loss and waste caused by in-house fighting in Chinese society in the modern or contemporary period, especially during the ten-year "cultural revolution"?

The mentality of regarding defeats as moral victories. This is a special social value of a seclusive society in Chinese history. Lu Xun, the great Chinese writer, vividly depicted this ugly national mentality in his literature in order to alert and inspire the Chinese people. However, this persistent mentality had not been fundamentally shaken before the adoption of the opening-up policy. The fragile social structure and the fragile national mentality interacted on and induced each other. Decline was again inevitable.

Comrade Deng Xiaoping, with a profound sense of history as a great Marxist thinker and outstanding revolutionary, has launched and led the second social revolution in China. As is rightly pointed out in the Bulletin of the Third Plenary Session of the Eleventh CPC Central Committee—the foundation stone for the most profound and great revolution in China's history—it "is an extensive and profound revolution

to realize the four modernizations, requiring raising the productive forces by a big margin and changing those parts of the relations of production and superstructure that are out of step with the expansion of production and changing all outdated modes of management, modalities of activities and ways of thinking.”¹ This revolution is unprecedentedly much more profound than the first one, which was to remove “the three big mountains” (imperialism, feudalism and bureaucrat-capitalism, which weighed like mountains on the backs of the Chinese people before the founding of the People’s Republic of China—translator) and establish a socialist country. The great epoch-making experiment will effect a fundamental change in the traditional social system and alter the historical course of China. In other words, it is a structural reform that will have an impact on China for one hundred, several hundred or even more years.

The revolutionary significance of the reform in China led by Deng Xiaoping and the Chinese Communist Party lies in the emancipation and development of productive forces through the extensive participation and creation of the people. Deng Xiaoping, the chief architect of China’s second revolution, has told us that “the opening-up policy is where China’s hope lies.”² “Without opening up, there will be no way out for China.”³ “If we go back to the closed-door policy or refuse to open China to the outside world, it is absolutely impossible for China to catch up with the economically developed countries in 50 years.”⁴ He strongly reminded us of the historical lessons we have drawn from the past self-seclusion and in-house fighting of Chinese society: “To put it briefly, we pursued a closed-door policy in foreign affairs and took class struggle as the central task at home, to the neglect of production internally.”⁵ We may therefore boldly predict that the Chinese nation will realize, after completing the historical journey of the 21st century and before starting the journey of the third millennium, that the 1980s were a period of sudden but eternal enlightenment.

III. Deng Xiaoping Thought and the Chinese Road to Socialist Modernization

Modernization and structural reform are the two major tasks of the social revolution of our time. Deng Xiaoping is both the initiator of these two tasks and an outstanding leader and the highest representative of the Chinese Communist Party and the Chinese people in their theoretical exploration.

Deng Xiaoping Thought reflects, first of all, his moral character as a great revolutionary. One of its salient features is that the subjects he has studied are relevant to the law of social and historical changes and consistent with the requirements of the times in China, and the results of his studies and their theoretical system are, in turn, used to guide social development in China. In reviewing the development of Deng Xiaoping Thought, we find that from the 1950s to the 1990s his thinking has been logically consistent and has produced considerable influence at each stage of development of Chinese society. The 1980s witnessed a great historical leap in the economic and social development in China and the emergence of an embryonic form of a new social system and new opening-up pattern at the same time. Deng Xiaoping's role as a navigator of the Chinese historical course was very much felt in every major strategic decision made during the period.

Deng Xiaoping Thought is the crystallization of the collective wisdom of the Chinese Communist Party and the Chinese people and particularly of Deng Xiaoping as a second-generation proletarian revolutionary. Deng Xiaoping was the chief architect of all the major historic policy decisions adopted by the Third Plenary Session of the Eleventh CPC Central Committee, the Twelfth CPC National Congress, the Thirteenth CPC National Congress and the Fourteenth CPC National Congress. Whenever we were confused in our minds, it was always Deng Xiaoping who guided us onto a correct course with his far-sightedness as a great strategist.

Deng Xiaoping Thought represents a great cycle of "coming from the masses and going back to the masses." Hundreds

of millions of the Chinese people have absorbed spiritual nutrition from it and turned it into creative enthusiasm and wisdom for the modernization drive and material wealth. The fact that people are sometimes concerned about possible policy changes serves as counterevidence to the scientific nature and social basis of Deng Xiaoping Thought. Greetings of "How are you, Xiaoping?" have aroused a warm response among the Chinese people, which shows that Deng Xiaoping Thought is rooted in the heart of the Chinese people. I am convinced that under the guidance of Deng Xiaoping Thought red flags will flutter everywhere in China, promising a bright future for China and for its modernization, reform and opening-up program.

IV. Deng Xiaoping Thought Is a Crystallization and the Major Development of the Collective Wisdom of the Chinese Communist Party and the Chinese People on the Basis of Mao Zedong Thought

Deng Xiaoping Thought is the application and development of Marxism, Leninism and Mao Zedong Thought in the socialist modernization drive and reform and opening-up endeavor in China. It has also proved through the practice of hundreds of millions of Chinese people to be an effective guiding theory and useful experience for the second revolution and economic development in China. Its formation and development are also attributed to important contributions made by many prominent Party leaders. It is the cream of Deng Xiaoping's works and papers.

Deng Xiaoping Thought has taken shape gradually in the course of China's modernization drive and reform and opening up. Its formation, development and improvement have been nourished by the Chinese people through practice in the modernization drive and reform and opening-up endeavor. A theory is advanced on the basis of practice and should be tested in practice. This is the way a theory improves itself and serves as better guidance. It is also the way in which

Deng Xiaoping has developed Marxism, Leninism and Mao Zedong Thought.

Why do Marxism, Leninism and Mao Zedong Thought have such great vitality? Because they have constantly been enriched and developed by absorbing the cream of human wisdom of the day and by continually summing up the experience gained by the people in practice. In the absence of creative development Marxism, Leninism and Mao Zedong Thought would have been void of vitality.

In what areas has Deng Xiaoping developed Marxism, Leninism and Mao Zedong Thought? First, Deng Xiaoping has made creative and pioneering efforts in the philosophical area. The core of the philosophical thinking of Marxism, Leninism and Mao Zedong Thought is the law of the unity of opposites. Mao Zedong summed it up as the law of contradiction. Hegel, Marx, Lenin, Stalin, Mao Zedong—all tried to interpret and reshape the world from the perspective of this philosophical thinking. Deng Xiaoping Thought has evolved on the principle of seeking truth from facts, which is the living soul and the most essential feature of Marxism, and by taking into consideration the rapid growth of the productive forces in the world in recent decades as well as the emergence of the modern systems theory. Deng Xiaoping Thought symbolizes a significant development of Marxism, Leninism and Mao Zedong Thought. It stresses the systematic nature, totality and unity. Practice has shown encouraging results in the carrying out of the modernization, reform and opening-up programs under the guidance of Deng Xiaoping Thought, such as the successful introduction of diverse models of ownership, production relations, distribution and transregional and transdepartmental development. We have also proposed solving the Hong Kong and Macao issues in accordance with the concept of "one country, two systems" and that of "one world, diverse systems." These concepts and ideas have provided effective means for breaking the deadlock on the Taiwan issue and some international issues.

It has been established that the theory of the growth of

productive forces serves as a key criterion for judging our work, which has considerably advanced the theory of Marxism, Leninism and Mao Zedong Thought. According to Deng Xiaoping Thought, there is nothing wrong with adopting some of the effective means without class attribute used by economically developed Western countries, while giving full play to the advantages of socialism, in order to develop the productive forces and achieve socialist modernization. We should try to use all effective ways and means, provided they promote the growth of productive forces. This theory of productive forces has been written into the report delivered at the Thirteenth CPC National Congress. That is, the point of departure in our thinking and the fundamental criterion for judging our work should be whether it promotes the growth of productive forces. Anything conducive to their growth serves the fundamental interests of the people and therefore should be required or allowed by socialism. Anything detrimental to their growth contradicts scientific socialism and should be rejected by socialism. On several occasions during his inspection tour in southern China in the spring of 1992 Deng Xiaoping stressed the growth of productive forces as an essential criterion. This theory is the inevitable conclusion of dialectical and historical materialism. It is consistent with the nature of socialism, most directly reflects the nature of socialism and the pressing requirements of social and economic development in China and represents a scientific summarization of the historical lessons.

Deng Xiaoping's expositions on socialism have greatly enriched Marxist, Leninist and Mao Zedong's theories on scientific socialism. He has expounded a series of concepts, including the need for vigorous development of productive forces; the socialist road to common prosperity; the primary stage of socialism in China, as determined by China's national conditions and the low level of the productive forces; the necessity to introduce diverse models in building socialism in different countries, given the great difference in national, regional and departmental conditions and in ownership; the

necessity for exploratory efforts in the emancipation and development of productive forces to facilitate the building of socialism in China, in view of the unprecedented and difficult nature of the reform and opening-up program in China; and the need for concerted efforts in building socialism and the philosophy of one dividing into multiple and multiple combining into one, in order to build China into a powerful and modernized socialist country under circumstances whereby it will take a long time for socialism to triumph over capitalism, given the present trial of strength between the two.

In view of the drastic and profound changes in the international economic and political situation since the end of the Second World War, Deng Xiaoping has concluded that peace and development are essential in international relations. Instead of stressing the danger of a world war, which we did for many years, he believes that since the forces checking war have been encouragingly expanding, it is possible to win peace for a fairly long period of time and to avoid war. This conclusion is based on the following facts: The scientific and technological advance in modern times has made the vehicles of war more destructive; there are no winners in a modern nuclear war; and the world forces for peace and against war are growing. The key to peace lies in the economic growth of China and other developing countries. Peace and development are inseparable. In today's world it has become the trend of the times to develop the economy. A country's position in the economic, scientific and technological competition is now a symbol of its strength. Therefore, all countries are doing what they can to develop their economy and compete with each other in aggregate national strength in the 21st century. The general trend towards peace through East-West dialogue and development through North-South dialogue is now giving way to that of giving top priority to economic growth. For a big developing country such as China to know the world well and seize every opportunity to achieve its goal, it is necessary to have a sound assessment of international relations and world trends.

V. Deng Xiaoping Thought Is a Major Development of Marxism in the Contemporary World

The living spirit of Marxism is its revolutionary and developing nature. The revolutionary nature represents the essence, while the developing nature is reflected in its content and form. The fundamental factor distinguishing Marxism from other transient ideologies and doctrines is its developing nature. According to Marxism, materialism and dialectics represent the essential methodology and scientific world outlook. The most important thing about materialism and dialectics is to recognize the inner law of things, proceed from reality, seek truth from facts and look at things from a systematic, historical and developing perspective. Marx and Engels stressed and expounded this point many times. They admonished people to adopt a scientific approach to the socialist theory they had founded. Engels wrote in 1887, "Our theory is a developing one. It is not a dogma for people to memorize and mechanically repeat."⁶ "Our theory is not a dogma, but an explanation of the development process incorporating a series of dovetailing stages."⁷ Engels ridiculed people who could only repeat and copy socialist theory by quoting Hegel's words: "They started from nothing, through nothing and to nothing."⁸ Lenin also declared, "We do not regard Marx's theory as something completed and inviolable; on the contrary, we are convinced that it only laid the foundation stone of the science, which socialists must develop in all directions, if they wish to keep pace with life."⁹ If Lenin, Stalin and Mao Zedong had only copied all the views and predictions of Marx without developing them, it would have been impossible to win the October Revolution and the Chinese revolution, to put Marxist theory into practice, or to turn the practice of one country into success in socialism in many other countries. Likewise, it is inconceivable that Marxism would have been recognized, accepted and practiced in the whole world if it were not a developing theory.

The many errors and faults made in socialist practice, such as Trotskyists in Russia, the Wang Ming line, and the "red

quotations" or the "red book" movement launched by Lin Biao and the Gang of Four in China, should largely be attributed to the failure to develop Marxism. It is quite clear from both theoretical and practical points of view that the living spirit and vitality of Marxism lie in its dialectical and developing nature. As Engels said, "The entire Marxist world outlook is not the creed itself, but rather its methodology. What it has provided is not a ready dogma, but a point of departure for further studies and for the conduct of such studies."¹⁰

Of course, one cannot develop Marxism at will. To distort or abandon the principled positions of Marxism should in no way be regarded as its development. This is another essential criterion to distinguish Marxists from all opportunist political factions. How to uphold and develop Marxism at the same time? To uphold Marxism without developing it is only dogmatism, while developing it without upholding it is only betrayal. Then how to do it? Stalin once said, "It is important to be good at distinguishing between Marxist words and essence and between individual principles and methods. We should be able to grasp the principal and fundamental things in Marxism."¹¹ We should propose and produce, under actual circumstances and in line with basic Marxist principles and methods, theories, programs, strategies, tactics and policies responsive to the specific conditions of various periods and regions. These are the basic things that Marxism requires later generations to do.

Deng Xiaoping is a great, worthy Marxist in contemporary China and has set a brilliant example of upholding and developing Marxism. He has applied the basic principles and methods of Marxism to the conduct of China's modernization drive and explored socialist theory, program, strategies, tactics and policies suited to China's conditions, thus greatly developing Marxism. His new development of Marxism is especially great and remarkable today when the world socialist cause is faced with many difficulties and international imperialists are vigorously pushing ahead with their strategy of influencing the socialist countries in a peaceful way.

As a systematic socialist theory, Deng Xiaoping Thought

not only reiterates the Marxist principle of seeking truth from facts as a basic method, but also introduces major developments in almost all aspects concerning the theory and practice of the socialist revolution and construction. Here, I should like to list his basic theories and main ideas as follows:

1. Deng Xiaoping has upheld and developed the Marxist theory concerning the division of social stages. To divide the times and social development into stages is a fundamental precondition for the birth of all revolutionary theories, programs and policies. By expounding the concept of peace and development and that of the primary stage of socialism in China, Deng Xiaoping has greatly advanced the entire Marxism.

2. Deng Xiaoping has upheld and developed the Marxist theory on the proletarian revolution. One of the important issues that Marxism deals with is how proletarians should establish and consolidate their political power. Deng Xiaoping has discarded the unrealistic notions about "the world revolutionary strategy" and instead proposed the idea of common progress through cooperation and development through peace. Thus he has made a scientific analysis and definition of the relationship between war and revolution and hence developed the Marxist theory on the proletarian revolution. He has also declared that the reform itself is a revolution, a revolution of the system. This is another major theoretical breakthrough in the all-round reform of socialist society after Mao Zedong's failure in his experiment with the "cultural revolution."

3. Deng Xiaoping has upheld and developed the Marxist theory on opening up. Opening up should be an innate concept of the Marxist theory on socialist development. However, this concept had been seriously twisted for a long time. Deng Xiaoping has, with his broad vision and extraordinary tolerance, advanced the theory and policies on opening up to lead socialism out of isolation and into rejuvenation. The implication of this theory is extremely rich. It includes, among other things, the opening-up concept, aimed at developing social productive forces and achieving the great strategic goal of socialist modernization; ideas about expanding international trade, attracting

foreign capital, importing technology, equipment and human resources, and enhancing economic, technological, academic and cultural cooperation and exchanges with other countries and regions; opening China to all countries of all types. It concerns setting up special economic zones, open coastal port cities, and open coastal economic zones, implementing coastal economic development strategies, developing an export-oriented economy and seeking common prosperity by developing the hinterland with the help of coastal economic growth. It deals with opening externally to other parts of the world and internally to other parts of the country, increasing economic and technological cooperation and strengthening horizontal ties, achieving reunification of the motherland and settling international disputes through peaceful means according to the concept of "one country, two systems" and the policy of "going in for common development." The theory calls for the mutual promotion and interdependence of the Four Cardinal Principles (keeping to the socialist road, upholding the people's democratic dictatorship, upholding leadership by the Communist Party and upholding Marxism-Leninism and Mao Zedong Thought —translator) and deals with the policy of reform and opening up to the outside world, both oriented towards the building of socialism with Chinese characteristics. It stresses the need to pursue an independent foreign policy of peace and establish a new world order based on the Five Principles of Peaceful Coexistence. The theory also deals with ideological and cultural advancement in the service of reform and opening up. It calls for improving the legal system, so as to create a better domestic environment for the opening-up program. The theory also calls for implementing the policy of reform and opening up in the whole process of China's development, making it a long-term and consistent policy, and opening wider to the outside world. In short, Deng Xiaoping has advanced a systematic opening-up concept for the first time in the history of Marxist development.

4. In terms of a socialist democracy and legal system, Deng Xiaoping has developed the Marxist theory on building a country with a high degree of democracy and rule of law. He has

succeeded in bringing order out of chaos, restoring the sanctity of law, and implementing various political concepts of socialist democracy step by step. All these efforts have led to national unity and stability, the creation of a domestic environment favorable to the modernization drive and the introduction of scientific methods for the people to become real masters of the country.

5. Deng Xiaoping has developed the Marxist theory on the functions of the state and its political system. He has advanced the ideas that the core task of the state is to manage the modernization endeavor and that a country may practice more than one system. He has, in particular, introduced the concept of a multisystem country in China in light of its conditions. His ideas in this regard will contribute not only to the reunification of the motherland, but also to world peace and stability or the common stability and prosperity of all mankind.

6. On the question of reform, Deng Xiaoping has developed ideas put forward by Marx in works such as *The Civil War in France*, that reform is socialist in nature and is a long-term task. Deng believes that under socialist conditions reform is a means through which socialism regulates itself, represents the fundamental feature of a people's democratic country and is an important criterion for distinguishing a people's democratic country from one ruled by exploiting classes. It is Deng who has designed the blueprint of reform for the socialist political, economic and cultural systems for China.

7. Deng Xiaoping has developed the Marxist theory on material civilization. He has argued that to vigorously develop material civilization and productive forces is the central task of socialism. He has stated that science and technology are the primary productive forces, hence to develop high tech and modernize education should be given top priority. He has reevaluated the status and role of intellectuals in the society and affirmed their class attribution, that is, intellectuals are an important part of the working class when they are combined with the most progressive productive forces. He has thus fundamentally solved the issue of attribution of knowledge and

labor and helped emancipate the productive forces.

8. Deng Xiaoping has inherited and developed the Marxist theory on the movement through contradiction between the productive forces and relations of production and between the economic base and superstructure. He has advanced the idea of making changes in relations of production responsive to those of productive forces, restored the scientific status of historical materialism, reoriented the Party's guiding ideology for the change in relations of production, and criticized the concept of large people's communes of a collective nature, thus paving the way for the growth of productive forces. At the same time, Deng Xiaoping has reevaluated the socialist distribution principle and proposed letting some people get rich first and seeking common prosperity eventually, which provides an answer to the Marxist pursuit of social development without prejudice to social justice.

9. Deng Xiaoping has also proposed new socialist principles guiding international relations. He has proposed the state policies of opening wider to the outside world, expanding cooperation and participating in international competition. He urges us to work for world peace in conformity with the tide of the times and develop ourselves, never seek hegemony, or try to play a leadership role in the world. He has applied the principles of peaceful coexistence to inter-Party relations and to the settlement of regional or domestic problems. He has initiated the four principles guiding relations between fraternal parties (i.e., independence, complete equality, mutual respect and mutual noninterference in each other's internal affairs—translator). In a word, he has developed the Marxist theory on international relations.

10. Deng Xiaoping believes that the key to efforts to upgrade the quality of the socialist party lies in the people's thinking and is against both "Left" and Right tendencies. His principled ideas have freed the Communist Party from obsession with class struggle, helped eradicate corruption and fight bureaucracy, and led all the people in unswervingly fulfilling the "central task of economic development" and upholding the

"Four Cardinal Principles and the policy of reform and opening up." This marks a significant development of the Marxist theory on the building of a political party.

11. Deng Xiaoping has developed the Marxist theory on and methods for the management of society from the concept of the principal contradictions and the key link theory to the systematic management theory. He has admonished us to give attention to and do a good job at ethical progress and material achievements: to have a proper balance between reform and opening up on the one hand and the Four Cardinal Principles on the other; between reform and opening up on the one hand and cracking down on corruption on the other; between material development and moral progress, and between improvement of socialist democracy and improvement of the socialist legal system. In short, we should do a good job in all areas and at all levels. In other words, we should treat all these tasks as systems engineering, tackle them systematically and adopt the methods of systematic thinking. We should pay attention to both stability and development, both the fight against peaceful evolution and opening-up efforts, and both political and ideological work and modernization. All these views of Deng Xiaoping's testify to his realistic, succinct and profound dialectical and systematic thinking and constitute his theory on the management of a modern society. His management model has taken the place of the old management model of grasping the key link and thus prevented China from vacillating now to the "Left" and now to the Right, which was the case under the old model.

12. Deng Xiaoping has inherited and developed the systematic Marxist theories. The new philosophical method of thinking he has employed has, to a large extent, enabled him to do so. He has used multidimensional and high-dimensional thought procedures rather than the traditional single or two-way models. Thanks to the skillful application of dialectical and systematic methods and philosophical thought procedures, he has been able to courageously explore new things in a complicated new situation and under new circumstances, instead of sticking to the outmoded and preserving the outworn, and has succeeded

in advancing revolutionary theories. What Deng Xiaoping developed as to Marxist philosophical thought procedures has served as the foundation on which he has attained theoretical development.

Two basic conditions must be met for a theory or thought to take shape. That is, there must be mature social conditions and outstanding personages who have a high level of intellect, rich experience and the ability to correctly size up the situation. Generally speaking, Deng Xiaoping Thought is an outcome of the times, the inevitable result of the logical development of Marxism in a new era, the crystallization of the collective wisdom of our Party on the basis of summing up the experience of the communist movement, and a great development of Marxism and Mao Zedong Thought. As Stalin has rightly said, "It is not right to say that Lenin's methods are a mere copy of Marxist methods."¹² Likewise, it is incorrect to say that Deng Xiaoping Thought is a mere copy of Mao Zedong Thought. A correct understanding and an analytical study of Deng Xiaoping Thought, including its historical status, significance, role, and the innate logic concerning its inheritance and development of Marxism, will help us gain a better understanding of the premise, tasks, road and methods of today's revolution in China, study the theories conscientiously, and inherit and steadily advance Marxism under the new conditions.

Notes

1. *Since the Third Plenary Session of the Eleventh CPC Central Committee*, People's Publishing House, 1982.
2. Xinhua News Bulletin, Nov.14, 1986.
3. *Important Remarks of Deng Xiaoping* (Feb.-July 1987), People's Publishing House, 1987.
4. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987.
5. Xinhua News Bulletin, June 22, 1988.
6. *Selected Works of Marx and Engels*, Vol. 4, People's Publishing House, Beijing, 1972, p. 460.
7. *Ibid.* p. 459.
8. *Complete Works of Marx and Engels*, Vol. 39, People's Publishing

- House, pp. 236-237.
9. *Complete Works of Lenin*, Vol. 4, 2nd Chinese edition, People's Publishing House, p. 161.
10. *Complete Works of Marx and Engels*, Vol. 39, People's Publishing House, p. 406.
11. *Complete Works of Stalin*, Vol. 8, People's Publishing House, pp. 272-273.
12. *Selected Works of Stalin*, Vol. 1, pp. 198-199.

Chapter 2

Systematic and Comprehensive Thinking and the Principle of Diversity

Are the Main Features and Quintessence of Deng Xiaoping's Philosophical Thought

The system of Deng Xiaoping Thought is deeply rooted in his philosophical thinking. Though he has never written any books specifically on philosophy, his philosophical thought has had a profound influence on the ideological revolution in China today. I shall discuss the main features and quintessence of his philosophical thought in this chapter, and on this basis I'll assess his important contribution to the development of philosophical thought and revolutionary practice in China today.

I. Historical Limitations of the Theory of Contradiction and the Philosophical Revolution of the Modern Systems Theory

In the world history of philosophy Hegel represented an imposing peak; his dialectical thinking was the main source of Marxist philosophy. Hegel's dialectics centered on an analysis of contradictions and explained the world structure and the pattern of changes on the basis of analyzing the movement of opposites. His philosophy was a product of his time and represented the world outlook and social mentality of the ruling classes at a time when capitalism was on the rise. Though he argued that unity represented an inherent demand of scientific logic, he mainly believed in the contradictory nature of things. Marxism, a highly scientific doctrine, is the ideological weapon of the proletariat. However, we should note that Marxist dialec-

tics is similar to Hegel's philosophy, the materialistic world outlook notwithstanding. In his work *Capital* Marx analyzed, by using Hegel's philosophical logic, the dual nature of labor and drew the political conclusion that the proletariat must resort to revolutionary violence to overthrow the capitalist class. This was undoubtedly a correct conclusion at that time and under those conditions. Guided by this conclusion, China, the former Soviet Union and several other countries won the socialist revolution. Marxist philosophy exerted an enormous impact on later socialists. It is true that a linkage can be discerned between Lenin's proposition that differences meant contradictions, Stalin's despotic air and Mao Zedong's theory that the philosophy of communists was that of struggle. Indeed, the theories and social functions of Marxism, Leninism and Mao Zedong Thought are rational and have contributed significantly to social and historical progress. At the same time, it should be pointed out that their theories have historical limitations and have produced side effects on social development. We recall, with a heavy heart, the "big purge" in the Soviet Union in the 1930s and the ten-year "cultural revolution" in China.

The birth of the modern systems theory is a major event in the history of man's thinking. It has not only put an end to the era of traditional philosophy, but also created a brand-new space for thinking. Looking at the same mountain or the same trivial things with the new systems theory, one may draw totally different conclusions from those of traditional thinking. Apollo's moon expedition, for instance, is a wonder of modern science and technology, but, more appropriately, it is the materialization of modern scientific systems theory. The modern systems theory is not only the most advanced methodology in the world today, but also a revolution in world outlook. It has excelled all previous schools of philosophy, since it has synthesized and upgraded them.

The modern systems theory stresses both the overall view of a matter and its sectional aspect, both the structural linkage and the coordinating role, and both the self-organization mechanism and the open circulation of the external environment.

This marks great progress in the mode of human philosophical thinking.

Deng Xiaoping is a staunch Marxist. At the same time, he has never stopped introducing new ideas into modern philosophical thought. Combining Marxist philosophy with modern systems thinking forms the philosophical basis of Deng Xiaoping Thought. In fact, it is Deng Xiaoping's major breakthrough and creation in the mode of philosophical thinking that has enabled him to advance Marxism, Leninism and Mao Zedong Thought to a new historical stage.

Philosophy expresses hope, will, wisdom and science.

II. One Divided into Many and Many Combined into One —Deng Xiaoping's Philosophical Thinking Represents a Leap Forward in Marxist Philosophical Thought

The comprehensive integration of the dialectics of contradictions with the modern systems theory, though still in the initial stage, is a striking feature of Deng Xiaoping's philosophical thinking. The concept of one divided into many and many combined into one fittingly embodies this integration.

The consistent acts of a statesman and a thinker often more eloquently represent his thought than long speeches. Deng Xiaoping has never literally proposed and elaborated the concept of one divided into many and many combined into one, but this concept can be found in many of his papers on major political and theoretical issues in real life and in his efforts to lead China in achieving the great socialist modernization. This methodology of thinking is mainly manifested in the following concepts he has advanced:

1. The concept of peaceful coexistence and cooperation through competition, a concept that addresses such basic issues as peace, reform, competition and development in today's international relations. According to this concept, countries with different social systems, races and development levels should

enter into peaceful competition and work together for common progress and should discard such rigid ideas as swallowing each other and advancing one's own interests at the expense of others'. The concept of "one country, two systems" that Deng Xiaoping has advanced and the concept of "one world, two systems" or "one world, diverse systems," which we may infer from the "one country, two systems" concept, vividly embody his theory on international politics.

2. The concept of all-round modernization. Deng's modernization theory has evolved over a period of time. He stressed the four modernizations first, then coordinated social and economic development, and finally the modernization of all aspects of society. He has increasingly looked upon modernization as a profound epoch-making revolution involving the entire social system.

3. The concept of diverse models of socialist development. Socialism in various countries shares the same essential features. However, socialism is not something immutable. Its features may change with changes in social and historical conditions in different periods of time and in different countries. Therefore, diverse development models exist and each country should have the right and opportunity to choose a suitable one.

4. The concept of systematic reform. Reform is not designed to change just a particular element or aspect; rather it introduces systematic changes to all aspects of society, from concepts to the social structure and policy systems, and from the economic structure to the scientific and technological, educational and political systems. As it is systems engineering, reform calls for meticulous organization and sound guidance.

5. The concept of coordinated implementation of supporting reforms and the coexistence of diverse economic sectors and distribution modes. In the primary stage of socialism it is necessary to practice a system of diverse economic sectors, with the public sector as the mainstay, supplemented by other sectors, and a multiform distribution system based on the principle of "to each according to his work," supplemented by other modes. We should not have the "mainstay" only and discard all

other elements of the system. The existence of other economic sectors and distribution modes will, in general, contribute to the expansion of productive forces and socialist development.

6. The concept of the basic line and concrete policies. The Party's basic line—one central task of economic development and two basic points of adhering to the Four Cardinal Principles and to the reform and opening-up policy—is a general program for systematically guiding the socialist modernization drive, as it has set forth a series of fundamental principles, such as the three objectives of socialist modernization—prosperity, democracy and civilization—one central task—economic development—a motive force—reform, opening up and people—and a guarantee—the Four Cardinal Principles. To implement the basic line, Deng Xiaoping has proposed the specific principle of paying equal attention to both sides of a matter or to all aspects of a matter, including reform and opening up, cracking down on crime, improving the rule of law, fighting corruption, and improving material and moral progress. He has also reminded us to be particularly on guard against "Left" tendencies in our efforts to fight and prevent both Right and "Left" tendencies in our work. He has reminded us time and again that the socialist modernization drive is a project of systems engineering, which requires all-round coordination and sound management, instead of attending to one thing to the neglect of others. It is important to address all aspects and do a good job in all areas, at all levels, in a systematic manner and as a system.

Indeed, Deng Xiaoping has consistently adhered to the methodology of "one divided into many" and "many combined into one" in all his papers, thinking and practice. He has, on the whole, integrated the dialectics of contradictions with modern systems thinking in both theory and practice.

The law of the unity of opposites is the heart and foundation of the dialectics of contradictions. It brings to light such basic elements as fundamental causes, motive force, methods and the broad linkage of things. It is therefore a basic scientific method. It lays stress on the universality of contradictions, on the broad linkage of things and on the unity of diversity.

However, it fails to tell us in what form objects exist and link with each other, and in what specific forms diversity, multi-contradictions, and the principal and secondary contradictions coexist in harmony. The modern systems theory has, in contrast, highlighted the extensive existence of systems and their linkage. Systems are the basic forms in which objects exist and they form an integrated whole with specialized functions, composed of multiple elements according to a certain purpose and rules. The systems theory focuses on a comprehensive understanding of complicated matters and their internal and external relations, on the handling of matters in a comprehensive manner, on the all-round coordination and on the optimization of the general functions of a system. In a sense, the concept of systems is an all-embracing one based on scientific analysis. The systems theory is an outstanding achievement of the development of human civilization as it reflects the cognition process from analysis to synthesis and from partial aspects to the whole picture. As I have stated in my book *On Systems Dialectics*, to integrate the dialectics of contradictions with modern systems theory is inevitable and imperative for the development of Marxist philosophy.

Deng Xiaoping's concept of "one divided into many" and "many combined into one" reflects the integration of the dialectics of contradictions with modern systems theory. "One divided into many" highlights, first of all, the word "divide," which reflects the materialist dialectical method of analyzing contradictions, and then the complexity of things, which reflects the analytical method of modern systems theory. Since one can be divided into two, it may also be divided into three or more. It is absolutely essential for us to avoid a "swinglike" mode in analysis, namely, either right or wrong, white or black, socialist or capitalist. We should see the complexity and diversity of elements and try to improve analytical tools, replacing the simple analysis of individual contradictions with systematic analysis. The phrase "many combined into one" stresses not only the unity and identity of opposites, but also the complexity of contradictions. Everything involves many contradictions and its

development process is full of contradictions. It is a collection of contradictions and represents the unity of diversity. It is therefore necessary to pay attention to the overall coordination and optimization of all essential elements and systems and to correctly understand and handle their relationship. In this way we may improve our methodology of analyzing contradictions by replacing materialist dialectical analysis with dialectical systematic analysis. At present, integration of the dialectics of contradictions with modern systems theory is still fairly elementary, but it has great revolutionary significance in that it has contributed to the development of Marxist philosophy, served as an important methodology for building socialism with Chinese characteristics and guided the entire socialist movement. This important feature of Deng's philosophical thought was much ignored in the past, which was an error and to be regretted. It is an important task facing the theoretical community to systematically expound Deng Xiaoping's methodology of thinking on "one divided into many" and "many combined into one."

III. Practice Is the Only Criterion for Testing Truth: Deng Xiaoping's Philosophical Thought and the Ideological Revolution It Has Started in China

Deng Xiaoping has inherited and developed Marxist philosophy, which is mainly manifested in his elaboration on and development of the quintessence of dialectical and historical materialism—the concepts of practice, cognition and truth. Seeking truth from facts, integrating theory with practice, proceeding from reality, upholding practice as the only criterion for testing truth and the productive forces as the essential criterion for judging a social system—all these constitute the foundation and crux of Deng Xiaoping's philosophical thinking as well as the philosophical basis of Deng Xiaoping Thought. Deng Xiaoping values and has updated the concept of seeking truth from facts, which makes up his concept of practicality and represents his inheritance and development of Marxist philoso-

phy.

Deng Xiaoping's concept of seeking truth from facts highlights the importance and role of the concept of practicality in the philosophical system of Marxism and in the entire thought process, and is the quintessence of Marxism and Mao Zedong Thought. In essence, this concept is the epitome of ontology, cognition (including the concept of practice, truth and the relationship between knowing and doing) and a materialistic conception of history. Success in explaining Marxist philosophy in simple, succinct language should be, first of all, attributed to Mao Zedong. However, describing the concept of seeking truth from facts as the soul and quintessence of Marxism and Mao Zedong Thought is an outstanding contribution made by Deng Xiaoping. Another striking feature of Deng's philosophical thinking is to apply the concept of seeking truth from facts to social areas, to take the productive forces as the criterion for judging our work, and to stress the importance of expanding the productive forces. The reason he has put so much emphasis on and attached so great importance to this concept can be found in the way he has summed up past experience in revolution and construction.

Deng Xiaoping's concept of seeking truth from facts has developed in the process of summing up the experience in China's revolution and construction as well as in the entire process of socialist development. It has rich contents and is highly convincing. In the course of the New-Democratic Revolution in China there was a tendency towards treating Marxism as a dogma and blindly copying the October Revolution model in disregard of the specific conditions in China. This tendency caused heavy losses to the Chinese revolution. To reverse this tendency, Mao Zedong and his comrades-in-arms waged a protracted struggle and founded many important theories. Regrettably, after the victory of the revolution and the launching of the socialist development program in China, we gradually deviated from this ideological line of seeking truth from facts, made an unrealistic assessment of the conditions and principal contradictions in China, and tried to rush into an idealistic

socialism featuring large-scale, public ownership, pure nature and backward productive forces. Furthermore, the extreme "Left" elements, such as Lin Biao and the Gang of Four, took advantage of this erroneous policy and pushed it to the full with an ulterior motive. All this once led China to the brink of economic collapse and social degeneration. Meanwhile, a tendency towards clinging to the increasingly rigid old system and outdated concepts in disregard of the changing conditions in the new situation was also growing in other socialist countries. As a result, the development of genuine socialism was seriously hampered. Idealism and metaphysics gave rise to the emergence of this tendency. Without discarding idealism and metaphysics and without introducing the ideological line of seeking truth from facts, it would have been impossible for us to turn away from the erroneous tendency, which was out of step with national conditions and the requirements of the times, or to stop socialist development from being hampered. The reason Deng Xiaoping has so stressed the importance of this concept or this concept has been given such a prominent place in Deng Xiaoping Thought is that it is vital to the sound and healthy development of the socialist cause and to the triumph of socialism.

Deng Xiaoping's concept of seeking truth from facts embodies the salient features of the world today. It addresses the basic issues we have come across in the socialist modernization drive. As the socialist movement has developed to the current stage and as we are approaching the end of this century, we are faced with the historical tasks of establishing a new type of social system, realizing modernization, carrying out an information revolution, and creatively developing socialist theories. To fulfill these historical tasks, we must first of all have a good understanding of our era, our national conditions, Marxism, the Soviet model, the traditional system and the present socialist modernization drive in China, classical socialism and the new features of the present era, among other things. To this end, it is essential to have a sound ideological line to guide us. Deng Xiaoping's concept of seeking truth from facts provides us with

the needed world outlook and methodology for tackling these tasks. Just as Mao Zedong's concept of practicality laid a solid ideological foundation for victory in the Chinese revolution, Deng Xiaoping's concept of seeking truth from facts has laid a solid ideological foundation for the success of the second revolution in China—to achieve all-round socialist modernization, from economic structure to social system. Therefore, this concept of Deng Xiaoping's carries the outstanding features of the era.

Deng's concept of seeking truth from facts has rich contents. Here, I should like to list some of the main things we should do as called for by this concept: proceed from reality, pay attention to practice and test, explore, create and develop theories in the course of practice; emancipate our minds so that our thinking reflects and conforms with reality; adopt a scientific approach to Marxist theories while never forgetting national conditions and the features of the current era and grasp the concept accurately and in its totality, especially its essence, oppose mechanically copying Marxism or completely repudiating it, and uphold and develop Marxism; take the growth of productive forces as the only criterion for judging our work, stress the need to develop the productive forces vigorously, seek results, work hard, and oppose formalism, subjectivism and bureaucracy.

By "facts" we mean all the facts and systematic facts, rather than partial, individual and one-sided facts; by "seek" we mean a systematic process of seeking; and by "seeking truth," a process of systematic and dialectical cognition.

Deng's concept of seeking truth from facts, with its profound and strong revolutionary and creative spirit, embodies the soul of materialism. Thanks to the guidance of this ideological line, both the theoretical community and people in China have been able to shake off the shackles of "Left" theories, set to right things that had been thrown into disorder, establish the theory of building socialism with Chinese characteristics and start the great cause of building such socialism in China. As time goes by, we see more and more clearly the far-reaching

significance of Deng's concept of seeking truth from facts. To ensure success in our socialist modernization program, we must unswervingly uphold this concept. Otherwise, we shall encounter major setbacks. Experience, both positive and negative, has told us that this ideological line must be pursued.

IV. The Place of Deng Xiaoping's Philosophical Thought in His System of Thinking and in the Ideological Line

After the Third Plenary Session of the Eleventh CPC Central Committee

Immediately after the October Revolution in Russia, Lenin wrote an article on Karl Marx for the Granat Encyclopaedia in 1913 that was published in a separate printing. At the very beginning of the article he elaborated on Marxist doctrine by observing that "Marxism is the system of the views and theories of Marx."¹ The "views" refer mainly to Marx's philosophical concepts, including materialism, dialectics, and a materialistic conception of history; the "theories," to Marxist theories on political economy and scientific socialism. According to Lenin, the Marxist theory on political economy is a scientific result obtained after analyzing the capitalist society of his time by using Marxist philosophy, and scientific socialism is the inevitable conclusion of the Marxist theory on political economy and the theoretical culmination of Marxist philosophy. From Lenin's statement we can see that Marxist philosophy serves as an important foundation and guide in the entire theoretical system of Marxism and constitutes a theoretical basis for the scientific system of Marxism.

Likewise, Deng Xiaoping's philosophical thought serves as an extremely important foundation and guide in the entire theoretical system of Deng Xiaoping Thought and is the theoretical basis of its scientific system. In his system of thinking ideas about development trends in the world today, the choice of social system in the present-day era, and building socialism with Chinese characteristics are all scientific results obtained by applying his philosophical thought to various areas and fields. In fact, his philo-

sophical thought is the most viable quintessence and "living soul" of the scientific system of Deng Xiaoping Thought. It has provided a rich and inexhaustible theoretical source for the various components of his system of thinking.

For instance, Deng Xiaoping's conception of history puts special emphasis on the decisive and dominant role of the productive forces in the process of historical development and maintains that "the fundamental task for the socialist stage is to develop the productive forces,"² that "it is absolutely necessary to always grasp this key link and regard science and technology as the primary productive force," that "the level of the productive forces shall serve as the basic standard for judging all our work"³ and that we should "vigorously develop the productive forces" so as to "show the superiority of socialism over capitalism." As we have upheld this conception of history and, with the help of this conception, assessed the objective conditions of world development in the more than one hundred years after Marx and over half a century after Lenin, analyzing and summing up especially the positive and negative experiences of contemporary socialist movements, we have been able to overcome traditional ideological limitations and inertia and reach the scientific conclusion that modernization represents the development trend of the world today.

Take the ontology and methodology of Deng Xiaoping's philosophical thought as another example. They have drawn upon and incorporated the latest scientific advances, enriched Marxist materialist dialectics with the theory of systems science, summarized and upgraded the "system" to a philosophical level as the basic form and attribution of the existing material world, and scientifically distinguished the unity of opposites, their mutual transformation, the various components of the highest layer, the highest layer from many intermediate layers, and the transitional links between the highest layer and intermediate layers. In sum, the ontology and methodology bring to light and reflect the true nature of the material world and its operational law more objectively and accurately than traditional materialist dialectics, which focuses on contradictions only. This philo-

sophical thinking has enabled us to shake off the ideological shackle and limitations of the philosophical concept of "one divided into two," which pays attention to only two sides of a matter. It has made it possible to advance the great concept of "one country, two systems," a concept that has helped to bridge the historical gap of humankind and taken us beyond the present era. It has helped to identify the basic features and overall trend of the new order of international relations as "peace, reform, competition and development" and created a new form of social system—the special economic zone. All these have added new scientific content to the Marxist theory of development and choice of a social system.

Furthermore, Deng Xiaoping's philosophical thought on cognition lays special emphasis on the concept of seeking truth from facts, a concept first advanced and adapted to conditions in China by Mao Zedong after summing up Marxist philosophical thinking on cognition, on the importance of practice in the process of cognition and on using practice as the only criterion for testing truth. Deng Xiaoping has clearly pointed out that the concept of seeking truth from facts is a fundamental concept and method of Marxism, "the quintessence of Mao Zedong's philosophical thinking"⁴ and "the point of departure, the fundamental point, in Mao Zedong Thought."⁵ He also said, "When everything is to be done by the book, when thinking turns rigid and blind faith is the fashion, it is impossible for a party or a nation to make progress. Its life will cease and that party or nation will perish."⁶ It is on the basis of this understanding and efforts to apply the principles of materialism to the practice of the present-day socialist movement in China and to understand and transform that we have found the correct road to building socialism with Chinese characteristics and created a series of scientific theories on building such socialism in China. Without Deng Xiaoping's concept of cognition as the philosophical basis, there would be no theory on building socialism with Chinese characteristics. Similarly, without Marxist materialist dialectics there would not have been a Marxist political economy, to say nothing of scientific socialism.

For quite a long time before the Third Plenary Session of the Eleventh CPC Central Committee our Party deviated from this ideological line of seeking truth from facts. It was the great debate on practice being the only criterion for testing truth, guided and supported by Deng Xiaoping and other members of the second-generation leadership of the Party, that made it possible to restore, establish, enrich and substantiate our Party's correct ideological line of seeking truth from facts under the new historical conditions. Deng Xiaoping has pointed out that "the debate on the criterion for testing truth is indeed both an ideological issue and a political one, an issue that bears on the future and destiny of our Party and our country" and that "our drive for the four modernizations will get nowhere unless rigid thinking is broken down and the minds of the cadres and of the masses are completely emancipated."⁷ Clearly, the great debate on the only criterion for testing truth laid an essential basis for the pursuit of a correct ideological line of our Party since the Third Plenary Session of the Eleventh CPC Central Committee. The launching and the subsequent success of the great debate should be attributed to the guidance of Deng Xiaoping's philosophical thought. Undoubtedly, his philosophical thought constitutes an extremely important foundation, plays a substantial guiding role and provides a theoretical basis for the correct ideological line of the Party in the new era. To resolutely uphold the Party's correct ideological line, it is imperative to study Deng Xiaoping's philosophical thought conscientiously and earnestly.

V. Deng Xiaoping's Philosophical Thought: A Major Breakthrough in the History of Marxist Philosophy

"Any true philosophy is the essence of its own time" and "the living soul of civilization." The spirit of the times is the reflection of the historical development trend in the social consciousness, while the historical development trend is an inevitable result of the innate requirements of social practice and the interaction between society and the economy. This

reflection is finally condensed, after distilling and synthesizing, into philosophical theories reflecting the nature and features of the times. They are a crystallization of the concrete scientific results obtained through correctly summing up the experiences of the times. Therefore, any philosophy is a product of a given period of time. It reflects the features of the times. It is always of relative significance. It cannot possibly reflect the features of every era. It is a philosophy in the form of an ultimate truth system.

Marx and Engels critically assimilated, in the course of founding Marxist philosophy, the "reasonable inner kernel" of Hegel's idealistic dialectics and the "basic inner kernel" of Feuerbach's materialism, integrated materialism with dialectics, applied materialist dialectics to social and historical fields and founded a completely new world outlook of dialectical and historical materialism, which marked a great revolution in the history of philosophy and reflected the cream and soul of the spirit of humankind in the 19th century. Of course, Marxist philosophy is also limited by the scientific progress up to that time. It therefore needs to be updated with the passage of the time. Engels rightly said that "with each epoch-making discovery, even in the sphere of natural science, materialism has to change its form."⁸

The ever-expanding scientific and technological revolution, spearheaded by computers after the Second World War, has opened up vast vistas to mankind at an inconceivable speed and on an unprecedented scale. It has contributed to the emergence and development of modern science, such as the self-organization theory, composed mainly of systems theory, information theory, cybernetics, dissipative structure theory and synergetics. With these epoch-making scientific discoveries we are compelled to conduct serious and profound examination of the Marxist philosophy founded by Marx and Engels by combining materialism with dialectics and to seriously consider the necessity of changing and developing its form along with the changes of the times.

Deng Xiaoping's philosophical thought was born precisely

out of this examination. It represents the initial integration of dialectical materialism with the scientific progress made in the second half of the 20th century and the inheritance and development, under new historical conditions, of the dialectical materialistic theories on the identity of opposites, the unity of opposites in contradictions, the particularity of contradiction, the principal contradictions, the transformation of a contradiction and the strategic position of nonantagonistic contradictions. In short, his philosophical thought is a revolutionary transformation from dialectical thinking on contradictions to systematic dialectical thinking and marks a major breakthrough in the history of Marxist philosophy.

Marxist materialist dialectics was the greatest scientific result of human wisdom in the 19th century. It is, in general, a theory or doctrine that stresses contradictions and the dialectics of contradictions, with its "kernel" and "most fundamental method"⁹ being the law of the unity of opposites. As Lenin pointed out, "dialectics in the proper sense is the study of contradictions in the very essence of objects."¹⁰ The law of the unity of opposites mainly concerns "the division of a unity into mutually exclusive opposites and their reciprocal relation."¹¹ "The unity (coincidence, identity, equal actions) of opposites is conditional, temporary, transitory and relative, while the struggle of mutually exclusive opposites is absolute, just as development and motion are absolute."¹² Traditional materialist dialectics of Marxist philosophy, or the dialectics of contradictions, gives prominence to contradictions as the objective attribution and manifestation of the material world and to the role of contradiction-oriented thinking. It fails to and cannot possibly give adequate attention to the systems and synergism of differences of the material world—its objective attribution and manifestation—as discovered by modern science in the second half of the 20th century. It even goes so far as to largely exclude and negate the possibility and rationality of other forms of thinking apart from the contradiction theory. In this sense, the dialectics of contradictions is likely to be one-sidedly extended by dogmatists in social practice as "the philosophy of struggle," which in

turn will mislead people in their social practice. The root cause for the decline of the world socialist movement in the 20th century lies in the fact that materialist dialectics, or the dialectics of contradictions, which was used to guide philosophical thinking, has innate defects and limitations.

Deng Xiaoping's philosophical thought has absorbed, drawn upon and incorporated the latest progress of modern science. With systematic dialectical thinking he has drastically changed the traditional dialectics of contradictions of Marxist philosophical thinking, giving expression to the essence and living soul of the modern spirit of the second half of the 20th century. His thinking is therefore of important and epoch-making significance to the development of Marxist philosophy. It has improved, enriched and deepened Marxist philosophy with its systematic and comprehensive position, upgraded Marxist philosophy from the scientific progress of the 19th century and reflected the progress of modern science in the 20th century. As it conforms to the needs of the times and of social and historical development, it has given Marxist philosophy new and splendid features of the times and a modern spirit. It has transformed the traditional materialist dialectics of Marxist philosophy, or the dialectical thinking of contradictions, through systematic and all-round thinking, or systematic and dialectical thinking, identified the innate unity of the two objective attributes of contradictory and systematic nature, on the one hand, and their manifestations, on the other, and enriched, improved and upgraded the materialist dialectics of Marxist philosophy under new historical conditions. As a result, the gap between the people's cognition and the noumenon of the objective material world has narrowed, and the Marxist theory of knowledge has made a substantive leap forward. Deng's philosophical thought has substantiated and developed the traditional dialectical analysis of contradictions of Marxist philosophy, especially the analytical tool of the unity of opposites, with systematic and dialectical analysis and analysis synergy of differences in particular, which has updated Marxist materialist dialectical methodology, greatly deepened the people's under-

standing of the complexity of the existing objective material world and the multipolar, nonlinear and coincident nature of the development of the objective material world, and tremendously increased people's ability to transform the objective material world. Whereas the world socialist movement has been at a low ebb since the Third Plenary Session of the Eleventh CPC Central Committee, China has been full of vitality. It has advanced the theory of building socialism with Chinese characteristics and scored remarkable achievements in building such socialism. It has demonstrated a far-sighted vista and courageous spirit of "orienting itself to modernization, turning to the world and looking into the future" and exhibited firm determination and confidence in the rejuvenation of socialism and the realization of China's modernization. All these should be attributed to the philosophical and theoretical guidance of Deng Xiaoping's philosophical thought, which represents a major change and breakthrough in traditional Marxist philosophy, as required by the new era.

Notes

1. *Selected Works of Lenin*, Vol. 2, People's Publishing House, 1972, p. 580.
2. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, p. 53.
3. *Selected Works of Deng Xiaoping* (1975-1982), People's Publishing House, 1983, p. 181.
4. *Ibid.*, p. 64.
5. *Ibid.*, p. 109.
6. *Ibid.*, p. 133.
7. *Ibid.*
8. *Selected Works of Marx and Engels*, Vol. 4, People's Publishing House, 1972, p. 224.
9. *Selected Works of Mao Zedong*, Vol. 1, 2nd edition, People's Publishing House, p. 299.
10. *Complete Works of Lenin*, Vol. 55, People's Publishing House, 1990, p. 213.
11. *Ibid.*, p. 306.
12. *Ibid.*

Chapter 3

Modernization and Economic Development in China: A Three-Stage Strategy

The concept of modernization is an important component of the system of Deng Xiaoping Thought. Deng Xiaoping has proposed a great three-stage development strategy. This chapter comprehensively analyzes his ideas about modernization and his overall strategy for China's economic development, in the spirit of combining theory with practice.

I. Modernization Is the Highest Goal of Humankind Regardless of Social System

Modernization refers to, in a narrow sense, the level of technical progress. For instance, mechanization, electrification, extensive use of chemicals and automation symbolize the level of modernization in different periods. But in a broader sense it means not only the level of technical development and the productive forces, but also the level of the economic and social development of the whole country in all aspects as well as the quality of members of society.

As the productive forces of humankind are ever expanding, a country should set a different scientific, technological and economic development goal for different periods. Likewise, the criterion to measure modernization differs from period to period. No country can possibly arbitrarily establish a uniform criterion for everybody else to follow. Rather, the criterion takes shape naturally with the social and historical development. In sum, modernization is a historical and worldwide

concept.

A well-known sociologist and futurist predicted that humankind would attain modernization in 400 years, from the end of the 18th century to the end of the 22nd century. At present, all countries in the world, including developed ones in the West, are still in the modernization process. In this process, countries may try to achieve modernization in different modalities, as their conditions differ. However, modernization, in whatever form, is a natural and inevitable trend today.

Since all countries are in the process of modernization, they should all work hard to realize this goal, no matter what social system they choose. Otherwise, they will lag behind in the common march towards modernization. It is true that modernization may mean different things at different times and different places and under different conditions, so the measure of modernization should apply to all countries in a given historical period. One should not judge a country's modernization by comparing its present level with its past in terms of technology, equipment and economy or by the social system it has chosen. Rather one should judge it by comparing it with the advanced level in the world. Only when it has reached the world advanced level, can a country be considered a modernized country. We can infer from this that modernization is the highest goal of humankind today regardless of social system. What a social system can do is to provide the guarantee for the realization of modernization, and a progressive social system can at most accelerate the realization of a higher degree of modernization. It cannot be equated with modernization itself.

The concept that modernization goes beyond social system is an important component of Deng Xiaoping Thought and in keeping with the fundamental principle of Marxism. As it represents development of the productive forces in modern and contemporary periods and also serves as the criterion for measuring the level of productive forces, modernization falls into the scope of the productive forces. As the productive forces possess component factors, inner structure, a form of existence and a development law independent of the relations of produc-

tion and superstructure, the realization of modernization is independent of social system. The productive forces can develop only within the framework of the given relations of production and superstructure. However, even when problems in the relations of production and superstructure are solved, the productive forces will not necessarily develop very fast, mainly for two reasons: First, the productive forces themselves are a huge complex system composed of many factors and layers. Their movements follow certain rules that cannot be replaced by the laws governing the development of relations of production and superstructure. Second, as the productive forces move on their own, they have their own motive force for their development. The relations of production and superstructure can influence the productive forces only through the rules governing their internal movement. In short, social production will not develop smoothly if we do not follow the rules of movement of the productive forces themselves, even if we have solved problems in respect to the relations of production and superstructure.

Since modernization is presently the highest goal of humankind, regardless of choice of social system, the developing socialist countries should not abandon their pursuit of modernization or their efforts to expand productive forces, simply because economically developed capitalist countries are working for a higher degree of modernization. The Thirteenth CPC National Congress pointed out that "the fundamental task of a socialist society is to expand the productive forces," and "to shake off poverty and backwardness, it is especially necessary for us to put expansion of the productive forces as the center of all our work. Helping expand the productive forces should become the point of departure in our consideration of all problems, and the basic criterion for judging all our work should be whether it serves that end."¹ Deng Xiaoping has time and again stressed that "the main task,"² "the overriding nationwide task"³ or "the most fundamental task for socialism" is to "develop the productive forces and finally realize modernization."

Survival and development are the primary tasks of human-

kind today. Modernization is the only road to take in order to develop. Marxism, which is the crystallization of human wisdom, must necessarily incorporate modernization into its system. Deng Xiaoping Thought, which combines the fundamental principles of Marxism with the practice of the Chinese people in building a modernized country, will inevitably focus on development of the productive forces and guide the Chinese people out of poverty and backwardness and into modernization, so as to enable them to make due contribution to the development of humankind.

II. The Concept of Gearing to the Needs of Modernization, the World and the Future and the Resolute Pursuit of Modernization Reflect Deng Xiaoping's Vision

In October 1983 Deng Xiaoping wrote the following inscription for Beijing Jingshan School: "Education should be geared to the needs of modernization, of the world and of the future." Here Deng Xiaoping urges us to orient ourselves to three things in education. However, his spirit and vision go far beyond education, signifying that China's economy should be oriented towards modernization, the world and the future.

The first orientation—to orient our economy to modernization—sets out our goal, that is, to strive for modernization and lift our economy to the level of medium-developed countries. The second orientation—to orient ourselves to the world—points out the way to realize modernization, that is, to open China to the outside world, to integrate China into the world economic system and to develop China's economy by utilizing advanced science and technology, effective management expertise and funds from other countries. The third orientation—to orient ourselves to the future—gives us a vision. Economically, China is still a developing country and it will take a long time for China to modernize itself. However, it must look beyond the present stage and into the future in its economic development. To build China into a modernized, prosperous and powerful

country is something for which numerous people with lofty ideals have struggled tenaciously and worked hard for more than one hundred years. In semicolonial, semifeudal old China modernization was forever out of reach. After the founding of the People's Republic this goal was, for a time, set aside under the influence of a "Left" tendency. Only since 1978 has China reembarked on the long march towards modernization. As it goes beyond the social system, modernization has become the common pursuit of humankind. Hence, it has triggered international competition. No country can afford to lag behind in the process of modernization; otherwise, it will not be able to take its rightful place in the family of nations. To achieve modernization, uphold its national dignity in the world family and play a bigger role in the world have been the common aspirations of the Chinese people for several generations.

With the development of space technology and the extensive application of scientific progress in such areas as electronics, computers, telecommunication satellites and laser telecommunications technologies the earth has increasingly shrunk. China cannot possibly develop its economy without opening to the outside world. The current progress, the advance of science and technology and the ever-enlarging scope of social production have closely linked the entire world. If a country wishes to play a role and be successful in the fierce international competition, it must open itself to the outside world and integrate itself into the world as an indispensable member. The World Development Report of 1987, issued by the World Bank, pointed out that the development of a country in the final analysis depends on its own efforts, but it is also influenced by the world economy. In that report the wide-ranging developing countries and regions, 41 in all, were classified into the following four categories on the basis of their foreign trade strategies: extensively export-oriented, export-oriented, inward-looking, and extremely inward-looking. Further studies were conducted on the development of these countries and regions during the period between 1963 and 1985 on the basis of the available statistics, and it was found that the export-oriented economies did better

than inward-looking ones in almost every field. This is not accidental. The studies, which covered a period of close to one fourth of a century and almost all major developing countries, showed that an export-oriented economy can better adapt to the increasingly interdependent world. The very purpose of and key to developing an export-oriented economy is to closely link one's own economy with the entire world economy, adopt an opening-up policy and accelerate economic development through the introduction of advanced foreign technology, management expertise and funding. The three new theories of today's natural science—the dissipative structure theory, the theory of differences synergy and the sudden change theory—have also come to the conclusion that a self-seclusive system can help maintain only a low level of stability, while a leap in the stable system calls for exchanges and communication with the external world. A high level of stability is impossible without outside inspiration or material, energy and information exchanges with the outside world. Most important is that an open system will constantly evolve and develop in the course of opening up and exchanging, finally optimizing itself. Deng Xiaoping has succinctly summed up this orientation: "The present world is an open one."⁴ "It is impossible for any country to develop itself in isolation.... Success is impossible without opening up and without enhancing international exchanges." "Our experience shows that China cannot rebuild itself behind closed doors and that it cannot develop itself in isolation from the rest of the world."⁵

As to why China should look to future, we are now at the great historical juncture of entering the 21st century. It is time for us to readjust our overall strategy in order to win the international competition. China's status and destiny in the 21st century will be decided in the 1980s and 1990s and that's how Deng Xiaoping's "three orientation" principle has come about. At this crucial moment of holding the key to tomorrow's destiny, the Chinese nation and its leadership should think about economic development from a higher plane, proceed from reality, look to the future and find a road to modernization suited to the country's conditions.

To look to the future, one must base oneself on reality. Then what is China's reality? Deng Xiaoping described China's reality in 1979 as follows: "At least two important features of our situation must be taken into account in order to carry out the four modernizations in China. First, we are starting from a weak base. The damage inflicted over a long period by the forces of imperialism, feudalism and bureaucrat-capitalism reduced China to a state of poverty and backwardness. However, since the founding of the People's Republic we have achieved signal successes in economic construction, established a fairly comprehensive industrial system and trained a body of technical personnel. From Liberation to last year, the average annual growth rate in our industry and agriculture was fairly high by world standards. Nevertheless, because of our low starting point, China is still one of the world's poor countries."⁶ "Second, we have a large population but not enough arable land. Of China's population of more than 900 million, 80 percent are peasants. While there are advantages to a large population, there are disadvantages as well. When production is insufficiently developed, it poses serious problems with regard to food, education and employment.... Despite China's vast territory, the amount of arable land is limited, and neither this fact nor the fact that we have a large, mostly peasant population can be easily changed. This is a distinctive characteristic which we must take into account in carrying out our modernization program. To accomplish modernization of a Chinese type, we must proceed from China's special characteristics."⁷ The following five points cover the current state in China:

—A socialist system has been established in China and displayed its advantages in practice. At the same time, its economic structure and political system have defects that need to be reformed and improved in practice.

—Its large population has provided extremely rich labor resources for the development of its national economy, but at the same time exerted great pressure on economic and social progress.

—It has vast land with rich natural and mineral resources,

but limited on a per capita basis. The shortage of cultivated land for a big population is especially acute.

—It has registered significant growth in the national economy and laid a fairly good technical foundation. At the same time, we have long been troubled by irrational industrial structure, uneven development and poor economic returns.

—The Chinese nation boasts many well-known fine traditions cultivated in its long history. At the same time it is still influenced by remaining old ideas.

In view of all this, China has set its development goal as follows: The first stage is to double the GNP of 1980 and solve the problem of food and clothing for our people. This task has largely been fulfilled. The second stage is to double it again by the end of this century, thus enabling our people to lead a fairly comfortable life. The third stage is to reach by the middle of the next century the per capita GNP level of moderately developed countries. This will mean that modernization has basically been accomplished and that our people have begun to enjoy a relatively affluent life. On this basis China will continue to advance.⁸ It was Deng Xiaoping who first proposed this development strategy. During his meeting with the former Japanese Prime Minister Masayoshi Ohira in December 1979 Deng Xiaoping mentioned the goal of the four modernizations and said that "the minimum target of our modernization program is to make life comparatively comfortable for the Chinese people by the end of the century.... By this we mean a per capita GNP of 800 US dollars."⁹ In October 1984, when he met the Chinese and foreign delegates to a symposium on China's economic cooperation with foreign countries, Deng Xiaoping said further that "this objective may seem modest to developed countries, but to China it is an ambitious, magnificent goal. If we achieve that goal, China's GNP will have reached US\$ 1 trillion, and that will be a good foundation. What is more important, with that achievement as a foundation we can strive to approach the level of the developed countries within 30 to 50 years. That will be no easy job."¹⁰ Deng Xiaoping mentioned the development objective on several occasions after that, demonstrating his firm

determination for modernization. Furthermore, he placed the modernization goal in the context of a world perspective. He said that "as I once told Mr. Masayoshi Ohira, by the end of this century China will have quadrupled the gross value of its national industrial and agricultural output and become comparatively prosperous. When that time comes, China will surely play a bigger role in maintaining world peace and stability."¹¹ "By the middle of the next century, when China has approached the level of the developed countries, there will be really great changes. At that time the strength of China and its role in the world will be quite different. We shall be able to make greater contributions to mankind."¹² From these remarks we can see Deng's vision and his far-sightedness.

III. From "Taking Class Struggle as the Key Link" to "Taking Economic Development as the Central Task": A Great Historic Turning Point

The Eighth CPC National Congress, held in 1956, made the following things clear: The principal domestic contradiction was no longer that between the working class and the capitalist class, but rather the gap between economic and cultural development and the people's needs. The major task facing our people was to concentrate on development of the social productive forces, achieve industrialization and gradually meet the people's increasing material and cultural needs. The people's democratic dictatorship had to be strengthened, as there was still class struggle. But the fundamental task was to protect and expand the productive forces within the framework of the new relations of production. In 1958 Mao Zedong proposed shifting the focus of the work of the Party and state to technological revolution and socialist construction. The Third National People's Congress, held at the end of 1964 and the beginning of 1965, announced: The task of readjusting the national economy had, by and large, been accomplished and the entire national economy had entered a new development period. We should work hard to gradually build China into a powerful socialist

country with modernized agriculture, industry, national defense and science and technology. However, these ideas were not put into practice under the influence of erroneous theories and owing to obstruction by erroneous actions. First, China suffered from a magnified anti-Rightist campaign. Then the 1959 Lu-shan Conference did serious damage to the democratic life of the Party politically, from the Central Committee down to local grassroots branches. Later the socialist education movement, launched between 1963 and 1965, caused "Left" deviations in many issues in political, ideological, intellectual, educational, scientific, technological, cultural and many other areas, which led to the "cultural revolution," which lasted from May 1966 to October 1976. No other event since the founding of the People's Republic has ever inflicted more serious setbacks and damage to the Party, the country and the people than the "cultural revolution." The socialist modernization process was thus relentlessly cut short. The "cultural revolution" was based on the following false assessments: A large number of bourgeois representatives and counterrevolutionary revisionists had already found their way into the Party, the government, the army and various circles of the cultural community. The leadership of many government departments and institutions was no longer in the hands of the Marxists or of the people. The persons in power in the Party, who had taken to the capitalist road, had formed a bourgeois headquarters within the Central Committee of the Chinese Communist Party, pursued a revisionist political and organizational line and had their agents in all provinces, municipalities and ministries or departments of the Central Government. As previous struggles had failed to solve these problems, the only way to go was to launch a "cultural revolution," through which to publicly and extensively mobilize the general public, from the grassroots upwards, to expose the dark side of things and get back power from the capitalist roaders, who had usurped power. The "cultural revolution" was in essence a major political revolution in which one class tried to overthrow another and which would be conducted many times afterwards. These views were summarized into "the theory of

continued revolution under the dictatorship of the proletariat." History has already clearly shown that the "cultural revolution" was an internal strife mistakenly launched by leaders and taken advantage of by reactionary cliques. It caused catastrophe to the Party, the country and the people of all ethnic groups in China.

The "cultural revolution" seriously disrupted the national economy, mainly reflected in widespread poor economic performance. For instance, the national income earned by each social labor grew at an average annual rate of 6.3 percent during the period of the First Five-Year Plan. This growth rate was gradually reduced to 4.4 and 3.2 percent in the Third and Fourth Five-Year Plan periods respectively. The economic dislocation was serious. For example, the accumulation rate rose from 24.2 percent in the First Five-Year Plan period to 26.3 and 33 percent in the Third and Fourth Five-Year Plan periods respectively. At the same time, the living standards of the people were lowered. During the ten years of turmoil the income of each peasant increased less than one yuan per annum, while the real wages of the city workers and employees dropped from 535 yuan in 1966 to 508 yuan. Though China's economy grew somewhat in the "cultural revolution," when we opened our door, which had been closed for many years, and looked at the outside world, we found that the gap between China and other countries had widened greatly during this period of ten years.

The new-technology revolution, which started after World War II, developed vigorously for over 30 years, immensely promoting development of productive forces. It entered a new stage after the 1970s, the main indicators being a breakthrough in microelectronics and biotechnology and important progress in such areas as new materials, marine engineering, astronavigational engineering and telecommunications technology. Economically developed countries and some developing countries seized the opportunity and achieved sustained economic development.

China's close neighbor, Japan, achieved modernization in fewer than 20 years, from 1955 to 1973, while it took some

European and American countries almost half a century to accomplish it. Allowing for price rises, Japan's GNP actually grew 5.2 times, from US\$ 80.2 billion in 1955 to US\$ 417.0 billion in 1973 (calculated at 1973 prices). During this period the traditional industries in Japan rapidly expanded to become first-class giants even by international standards. The newly rising industries solved many technical problems and made major breakthroughs. The electronics industry in particular advanced by leaps and bounds. At the end of the 1960s Japan successfully developed large high-speed computers with the extensive use of integrated circuits before the United States and very soon applied the advanced electronic technology to the machine-building industry, greatly raising labor productivity. With the rapid development of its national economy, Japan's position in the capitalist world economy rose steadily. In 1955 its GNP ranked No. 7 in the capitalist world. It surpassed Canada, India, France, Britain and West Germany successively in the subsequent ten years and became the second largest economic power in the world, following the United States.

The Republic of Korea, Singapore and China's Taiwan Province and Hong Kong, popularly known as "the four Asian dragons," created "economic wonders in the 1970s." According to the magazine *Euro Money*, Singapore, Taiwan, the Republic of Korea and Hong Kong were the four fastest growing economies in the 93 countries and regions surveyed between 1974 and 1984, while Federal Germany ranked only 64th in the world in spite of its reputation as the fastest growing economy in western Europe. The Republic of Korea and Taiwan Province entered a rapid-development period at the beginning of the 1960s. Their annual economic growth rate for the 1963-1973 period was 10.7 and 10.3 percent respectively, much faster than that of European and American countries and even comparable to that of Japan, which was 10.3 percent during the corresponding period. After the oil crisis in 1973 the economic growth of the developed capitalist countries slowed markedly, while the Republic of Korea and Taiwan Province maintained an average annual rate of 8 and 8.3 percent respectively for the 1974-1984 period,

ranking No. 2 and No. 3 among the 93 countries and regions surveyed. Meanwhile, Singapore and Hong Kong succeeded in changing their role as entrepots in fewer than 20 years, starting from the beginning of the 1960s. By the end of the 1970s Singapore had already become the second largest trading port, the fourth largest financial center and the third largest oil refinery center in the world, while Hong Kong had become an international trade and financial center, one of the biggest trading ports in the world, the third largest container transportation center and the third largest financial center. Today both Singapore and Hong Kong have become important modern, multifunctional, international cities.

Indonesia, Malaysia, the Philippines and Thailand—four ASEAN countries—have scored remarkable achievements in their economic development since the end of the 1960s and the beginning of the 1970s. In the second half of the 1970s they successively became medium-income-level countries. Now they have approached the level of newly industrialized countries and are therefore called such. Among the 93 countries and regions surveyed, the economic growth of Malaysia, Indonesia and Thailand ranked No. 6, 8 and 9 respectively for the 1974-1984 period.

Amid the tenacious pursuit of modernization, serious reflection on the theory of taking class struggle as the key link, horizontal comparison with other countries in the world and great hope for China's future Deng Xiaoping proposed taking "economic development as our central task." He said that "our experience in the 20 years from 1958 to 1978 has taught us that poverty is not socialism, that socialism means eliminating poverty. Unless you are developing productive forces and raising people's living standards, you cannot say that you are building socialism."¹³ "For many years we suffered badly from one major error: After the socialist transformation of the ownership of the means of production had basically been accomplished, we still took class struggle as the key link and neglected development of the productive forces."¹⁴ "If we fail to focus on economic development, there is a possibility of losing the material base.

All other tasks should be subordinated to and serve this central task of economic development and should not obstruct or affect it. In the past more than 20 years we were taught a grave lesson in this regard."¹⁵ To give top priority to economic development, in the final analysis, requires vigorously developing the productive forces. Deng Xiaoping asked on many occasions, "What is socialism? What is Marxism? We were not quite clear about this in the past. Marxism attaches the utmost importance to developing the productive forces. We believe in communism. What does communism mean? It means from each according to his ability and to each according to his needs. This calls for highly developed productive forces and an overwhelming abundance of material wealth. Therefore, the fundamental task for the socialist stage is to develop productive forces."¹⁶ The Eighth CPC National Congress at its second session rephrased the terms of the principal contradictions defined at its first session. As a result, the principal contradictions were not consistent with the fundamental tasks and the Party and the state thus suffered major setbacks. In order to reverse this, the Third Plenary Session of the Eleventh CPC Central Committee made the principal contradictions again consistent with the fundamental tasks. In this regard Deng Xiaoping said that "the level of our productive forces is very low and is far from meeting the needs of our people and country. This is the principal contradiction in the current period and to resolve it is our central task."¹⁷ In other words, our principal contradiction was the low level of the productive forces and our central task was to develop the productive forces. The unity of the two was of great theoretical and methodological significance.

To judge whether or not the fundamental task has been accomplished and the basic contradiction removed, it is necessary to have a criterion. Deng Xiaoping believes, "After all, from the historical materialist point of view correct political leadership should result in growth of the productive forces and improvement of the material and cultural life of the people."¹⁸ It is written into the Report of the Thirteenth CPC National Congress as follows: "The point of departure in our considera-

tion of all problems and the basic criterion for judging all our work should be whether it promotes growth of the productive forces." After the remarks Deng Xiaoping made during his inspection tour of southern China were made public, the Political Bureau of the CPC Central Committee reiterated: The chief criterion for judging our work should be whether it promotes the development of productive forces in a socialist society, increases the overall strength of the socialist state and raises the living standards of the people.

From "taking class struggle as the key link" to "taking economic development as the central task" marked a great turning point. The Chinese people have since marched towards a powerful and modernized socialist country.

IV. The Three-Stage Strategy: A Strategy for China's Economic Development and a Rapid March Under Deng Xiaoping's Guidance

To identify the objectives of China's modernization, Deng Xiaoping charted a three-stage development strategy: to double the gross national product of 1980 and meet the basic needs of the people for food and clothing by the end of the 1980s; to redouble the GNP of 1980 and ensure a fairly comfortable life for the Chinese people by the year 2000; and to reach the level of average developed countries, ensure our people an affluent life and achieve modernization by the middle of the next century or by the centenary of the founding of the People's Republic of China.

The Chinese people have made great achievements in their pursuit of modernization under the leadership of the Communist Party of China, headed by Deng Xiaoping.

Now the goal for the first stage has basically been accomplished. In 1990 China's GNP reached 1.74 trillion yuan, 2.36 times that of 1980, which stood at 447 billion yuan in terms of constant price. It represented a 9 percent increase over the decade. National income amounted to 1.43 trillion yuan, whereas it was 368.8 billion yuan in 1980. The 1990 figure was

2.3 times that of 1980 in terms of constant price, growing at an average annual rate of 8.7 percent. Clearly, our economic strength grew rapidly and China has become one of the fastest growing developing countries in the world. In the ten years between 1980 and 1990 China's industrial production rose by 12.6 percent a year on average and agricultural production by 6.4 percent. The output of raw coal, crude oil, electricity, steel, ferroalloys, cement, sulfuric acid, chemical fertilizer, synthetic fiber, cotton cloth, sugar and TV sets reached 1.08 billion tons, 138.31 million tons, 621.2 billion kwh, 66.35 million tons, 2.442 million tons, 209.71 million tons, 11.969 million tons, 18.797 million tons, 1.6542 million tons, 18.88 billion meters, 5.82 million tons and 26.847 million sets, up by 74.2, 30.5, 106.7, 78.7, 145.7, 162.6, 56.6, 52.6, 267.4, 40.2, 126.5 and 977.3 percent respectively. In agriculture in 1990 the output of grain, cotton, oil-bearing crops, fruit, meat (pork, beef and mutton), and aquatic products stood at 446.24 million tons, 4.508 million tons, 16.132 million tons, 18.744 million tons, 25.135 million tons and 12.37 million tons, up by 39.2, 66.5, 109.8, 175.9, 108.5 and 174.9 percent respectively.

In this decade investment in fixed assets increased at an average annual rate of 19.6 percent and those investment projects created a significant production capacity. The added production capacity of major products as a result of the new projects completed in the decade is significant: for instance, a capacity of 37.08 million tons for iron ore, 5.523 million tons for steel, 208.21 million tons for coal, 66.546 million kilowatts for electricity, 12.759 million tons for oil, 1.754 million tons for sulfuric acid, 3.1215 million tons for chemical fertilizer, 33.033 million tons for cement, 0.8362 million tons for synthetic fiber, 3.301 million spindles for cotton, 2.271 million tons for sugar, 9.88 million kinescopes, 4,799 kilometers of newly built railways, 27,347 kilometers of newly built highways and 244.89 million tons of port handling capacity. All this made it possible to sustain economic development in the 1990s. During these ten years a total of 1.78238 trillion yuan was invested in the fixed assets of the state-owned sector alone, and, as a result, there was

an increase of 1.06991 trillion yuan in the fixed assets.

Again in this decade commodity retail sales increased at an average annual rate of 7.3 percent. Sales in 1990 were 3.879 times those of 1980. There were abundant supplies of goods on the market and the retail sale of main consumer goods rose in 1990 by a big margin compared with that of 1980. The retail sale of grain was up by 69 percent, pork by 77 percent, edible oil by 250.5 percent, sugar by 49 percent, TV sets by 428.3 percent, washing machines by 3,835.7 percent and refrigerators by 7,827.3 percent.

China's opening-up endeavor made much headway in the decade and its foreign economic ties and trade developed rapidly, the import and export volume going up by 202.7 percent in the said period, registering an average annual growth rate of 11.7 percent. The proportion of manufactured goods in total exports rose from 49.7 percent in 1980 to 74.4 percent in 1990, up by 24.7 percentage points, thus changing the traditional export pattern characterized by a lion's share of farm produce, sideline products and primary processed products. The foreign capital used also grew rapidly, with a total of US\$ 18.982 billion actually used between 1979 and 1990.

The life of both urban and rural residents improved greatly in the ten years. In 1990 the per capita income of urban residents reached 1,387 yuan and the net per capita income of farmers 629.8 yuan, up by 215.9 and 229.2 percent over those of 1980 respectively. The average annual growth rate was over 12 percent in both cases. Savings deposits of both urban and rural residents totaled 703.42 billion yuan, growing at an average annual rate of 33.2 percent.

We are confident of achieving the objective set for the second stage by the end of this century. It is estimated by various sources that by the end of this century China's industry will start to take off and its aggregate economic volume will reach a new high; its economic structure will be not only rationalized but also geared to modernization; its people will have increasing incomes and adopt a new consumption pattern; its basic industries will improve considerably and the supply of

basic raw materials will basically be guaranteed; transition to a socialist market economy will be completed; and the import of scientific and technological achievements and production of their substitutes will give way to China's own development of new science and technologies.

By the end of this century China will become a world economic power. By then its GNP is expected to exceed US\$ 1.140 trillion, 5.02 times that of 1980. According to GNP statistics for 159 countries surveyed by the World Bank, China ranked No. 8 in 1989, following the United States, the former Soviet Union, Japan, Germany, France, Italy and a few other countries. On the basis of forecasts of the economic development of various countries, China will become the sixth largest economic power in the world by the year 2000, even occupying fifth place if the GNP of Hong Kong and Macao are included. In terms of per capita GNP, it will move from the present 151st place to 75th place.

The economic structure will also be readjusted to cater to large-scale modernized production, and tertiary industry, including banking, science and technology, culture, education, information, consultation service and social services, will develop rapidly. The proportion of the primary, secondary and tertiary industries in the GNP will be 21, 44 and 34 percent respectively, as against 30.4, 50.5 and 23.2 percent in 1980. Experts of the World Bank have estimated that China's agriculture will grow at a rate between 3.7 and 4.6 percent; industry between 6.9 and 8.1 percent; light industry between 6.5 and 7.9 percent; infrastructure between 6.1 and 7.3 percent; and the service industry between 6 and 10.5 percent.

With adjustment in industrial structure, the constraints on the bottleneck industries, such as raw materials, fuel, transportation and postal services, have been eased somewhat. The machine-building, chemical, light, textile, food processing and other industries have become pillar industries in China's economy and main foreign exchange earners. The geographical disparity in terms of economic development has been narrowed with the accelerated opening up and economic development in

the western part of China.

We shall manage to keep the population below 1.295 billion and try various means to create at least 220 million jobs in ten years' time.

To ensure a fairly comfortable life for our people, we mean to achieve the following specific goals: first, to reach a per capita consumption level of about US\$ 700 and narrow the consumption gap between urban and rural residents by 1.6 times; second, to reduce the Engel coefficient of the urban residents' consumption to 48 percent and that of farmers to about 50 percent; third, to ensure a per capita consumption of 420 kilos of grain and 13.5 kilos of meat products and increase the proportion of animal-transformed food calories to the total intake of calories from 7.7 percent in 1980 to around 12 percent; fourth, to greatly improve people's clothing in terms of both quantity and quality, increase the supply of woolen and other high-quality fabrics and the sale of ready-made garments, though cotton and synthetics will still be the main materials for clothes; fifth, to ensure relatively comfortable housing for both urban and rural households with an average per capita of eight square meters for urban residents and over 15 square meters for rural people.

Foreign trade will see major growth by the year 2000, with a total volume of imports and exports reaching between US\$ 160 billion and 210 billion. The export of machinery and electronic products will account for one fourth of the total export. Priority will be given to softwares and technologies in imports. As China earns more foreign exchange, it will increase the import of technologies and the utilization of foreign capital. In addition, China's tourism industry will develop further, and export of labor and technology will also grow.

Much headway will also be made in science, technology, education, culture, public health and sports. By introducing applicable technologies and making breakthroughs in selected high-tech areas, China will raise its overall technical level by about 50 percent.

In sum, by the end of the century a powerful socialist China

with political stability and economic prosperity will emerge in the world, with its people leading a happy life. If we continue to work hard for 50 more years on that basis, we shall be able to turn China into a strong, modernized power. By then China will be able to not only play a decisive role in upholding world peace and promoting development, but also fully display the advantages of socialism. Even after the three-stage modernization program has been completed, China, the giant in the East, will continue to march forward with vigor.

V. China's Economic Development in the 1980s as Compared with That of Other Countries

During the 1980s China implemented its first-stage development goal, chalking up tremendous achievements if compared with the past, but how well did it do in comparison with other countries? It is important to make a horizontal comparison, for it will help us objectively assess our achievements and sum up our experience, which in turn will help us successfully implement the crucial second-stage development goal.

From 1980 to 1989 China's annual GDP growth rate averaged 9.7 percent, placing China third, along with the Republic of Korea, after Oman (12.8 percent) and Botswana (11.3 percent) among the 124 countries and regions surveyed.¹⁹ This figure was much higher than those for low-income, medium-income and high-income countries, which were 6.2, 2.9 and 3 percent respectively, and even higher than that for the economically dynamic East Asian countries, which registered a GDP growth of 7.9 percent. To break it down, the average annual agricultural growth was 6.3 percent in China, putting it in fifth place after Kuwait (18.8 percent), Saudi Arabia (14.6 percent), the Arab Emirates (9.3 percent) and Morocco (6.7 percent). The average annual growth rate of its industrial output was 12.6 percent, putting it in fourth place after Bhutan (15.4 percent), Oman (13.7 percent) and Botswana (13 percent). Its service sector registered an average annual growth rate of 9.3 percent, putting it in third place after Botswana (11.9 percent) and

Oman (10.5 percent). Its average annual growth rate in the above-mentioned three sectors was respectively 142.3, 425 and 190.6 percent higher than the world average.

China's economic growth was mainly driven by an increase in investment, which included internal investment, governmental development aid from other countries and foreign borrowings. In the period 1980 to 1989 internal investment grew at an average annual rate of 13.7 percent, lower than only Oman (18.4 percent) and Mauritius (15 percent) and much higher than the world average of 270.2 percent. In 1989 net governmental development aid from various foreign sources accounted for 0.5 percent of China's GNP, much lower than the 2.2 percent of low-income countries and close to the 0.6 percent of medium-income countries. China's external debt accounted for 10.8 percent of its GNP in 1989, the smallest percentage in all the debtor countries surveyed. The ratio of debt servicing to GNP in low-income and medium-income countries was 32.3 and 46.1 percent respectively. All these comparative figures show the following: First, China's economic growth was mainly funded by a big increase in internal investment. Second, external governmental development aid was an insignificant factor in its economic growth. Third, though its absolute external debt was as high as US\$ 44.857 billion in 1989, it accounted for a small percentage of China's GNP. It can be concluded that China's economic growth was mainly funded by itself.

The fairly rapid economic growth did not cause serious inflation in China. Its inflation rate in the period 1980 to 1989 was 5.8 percent, higher than the 4.6 percent of high-income countries, lower than the 9.1 percent of low-income countries, and much lower than the 73 percent of medium-income countries.

In addition, China's economic growth and an increase in investment did not affect the normal consumption of its people. In this decade private consumption grew at an average annual rate of 7.5 percent, which was the third highest in the world, after Oman (13.8 percent) and the Republic of Korea (7.8 percent).

Economic growth changed China's position in the world in terms of its main industrial and agricultural products: In 1980 it was the world's fifth, third, sixth, third, fifth, tenth and fifth largest producer of steel, coal, electricity, cement, synthetic fiber, sugar and TV sets, while in 1989 it ranked fourth, first, fourth, first, fourth, sixth and first place in the world in these items respectively. As for principal agricultural produce, it remained the largest producer of cereals and advanced from third place to first in meat production, including pork, beef and mutton, from second to first in cotton, from second to first in rapeseed, from ninth to fourth in sugar cane and from twelfth to fifth in beets.

As China opened wider to the outside world, its foreign trade developed by leaps and bounds. Exports grew at an average annual rate of 11.5 percent and imports by 11.7 percent in the period 1980 to 1989. Of 124 countries and regions surveyed, China was the fifth largest exporting country, after Iran (21.6 percent), the Republic of Korea (13.8 percent), Thailand (12.8 percent) and Portugal (11.7 percent), and the largest importer in the world. Machinery and transport equipment accounted for 7 percent of the commodities exported in 1989. Among the 99 low- and medium-income countries China was the fifteenth largest exporter of machinery and transport equipment, along with Oman and India. This shows that its export structure was not yet balanced, despite the fast growth of exports.

In terms of family expenditure in China, using the Gini coefficient, food expenditure accounted for 52.3 percent of the total in 1985, compared with less than 20 percent in high-income countries and less than 35 percent in medium-income countries. This shows that the income of Chinese residents was still fairly low. In 1988 per capita consumption was US\$ 270 in China, calculated in terms of US dollars in 1980, while it was US\$ 1,500 in Hungary, Yugoslavia, Mexico and Argentina. The gap between China and these medium-income countries was quite big. However, the per capita daily intake of calories is not low in China. For instance, in 1988 the figure was 2,632 in

China, while the average world level was 2,669, showing almost no difference between the two. It was not only higher than the average 2,331 of low-income countries, but also higher than that of 31 medium-income countries. We may draw two conclusions from these facts: First, there is an ample supply of farm and sideline products in China, thanks to the rural reform; second, the actual purchasing power of Chinese residents is higher than these figures show.

The human development index indicates the effect of development on people's lives. The index is worked out on the basis of life span, literacy rate and per capita GNP. This figure was 0.716 in China in 1987, placing China 66th among the 130 countries and regions surveyed, just high enough to be considered among the countries and regions with a high human development level. Angola and Guatemala are in the middle of the low-human-development-level countries and the medium-human-development-level countries respectively. Their indexes are 0.304 and 0.592 respectively. China's index is higher than theirs by 135.5 percent and 20.9 percent respectively. However, if China is compared with Poland, which is in the middle of countries with a high human development level, China's figure is 78.7 percent of Poland's. That is because of the longer life expectancy and higher literacy rate in China among the 130 countries and regions surveyed, which are 70 years old and 69 percent respectively, despite its low per capita GNP. These should be attributed to improved medical care in China and its efforts to make education available to all the people. The government's input in these two areas has contributed to their improvement. That is to say, the government has appropriated money from its budget to provide better medical care and education to its people, which has contributed to a rise in the real income of its people. This explains in part why the actual living standards of the Chinese people are higher than the statistics suggest.

From the above comparisons we can see that China registered rapid economic growth in the 1980s, becoming one of the most dynamic countries in the world today. The rise of its

position in the world in terms of output of main industrial and agricultural products testifies to its enhanced economic strength. The rapid expansion of its foreign trade has not only proved the soundness of its opening-up policy, but also helped attract foreign capital and the import of advanced technology from abroad. China owes its economic development to the inflow of foreign capital, but more importantly, to the continued big increase in its own investment in the past ten years. This shows that we should base ourselves on our own efforts, while seeking foreign funds, in the historical process of realizing modernization. It also shows that China's economic strength is much greater than before. Otherwise, it would not have been able to inject so much money into its economic development while maintaining low inflation. The Chinese people's life has been greatly improved. A good testimony to that is the fact that the average annual growth rate of its private consumption in the past ten years ranked third in the world. But from the perspective of the Gini coefficient, the living standards of the Chinese people are still low. In terms of the per capita daily intake of calories and the human development index are at a medium or high level in some aspects if compared with the low living standards of other people.

These comparative studies have enabled us to see clearly China's position in the world economic competition and stiffened our determination to realize modernization.

Notes

1. "Advance Along the Road of Socialism with Chinese Characteristics," Report Delivered at the Thirteenth CPC National Congress, *Beijing Review*, Beijing, No. 45, Nov. 9-15, 1987, p. v.
2. *Selected Works of Deng Xiaoping (1975-1982)*, People's Publishing House, 1983, p. 148.
3. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, pp. 180-181.
4. *Ibid.*, p. 54.
5. *Ibid.*, p. 105.
6. *Ibid.*
7. *Selected Works of Deng Xiaoping (1975-1982)*, People's Publishing

- House, 1983, pp. 149-150.
8. "Advance Along the Road of Socialism with Chinese Characteristics," Report Delivered at the Thirteenth CPC National Congress, *Beijing Review*, Beijing, No. 45, Nov. 9-15, 1987, Beijing, pp. vi-vii.
 9. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, p. 53.
 10. *Ibid.*, p. 66.
 11. *Ibid.*, p. 96.
 12. *Ibid.*, p. 123.
 13. *Ibid.*, p. 104.
 14. *Ibid.*
 15. *Selected Works of Deng Xiaoping* (1975-1982), People's Publishing House, 1983, p. 241.
 16. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, pp. 52-53.
 17. *Selected Works of Deng Xiaoping* (1975-1982), People's Publishing House, 1983, p. 168.
 18. *Ibid.*, p. 123.
 19. World Bank, "World Development Report of 1991."

Chapter 4

“One Country, Two Systems”: A Great Contemporary Concept That Fills a Gap in History and Reaches Beyond the Horizon

I. Marx—Lenin: Predictions and Practices of the Overthrow of the Capitalist System by the Proletariat Through Violent Revolution

In 1733 a British engineer named Key invented flying-shuttle weaving, which heralded the Industrial Revolution in the following century, which swept through all the industrial sectors, including machinery building, the metallurgical industry, shipbuilding and railways. This enabled the bourgeoisie to produce unprecedented wealth and destroyed the foundation of the feudal system. However, it also gave rise to class confrontation in modern society and revolution.

Marx pointed out that “modern bourgeois society with its relations of production, of exchange and of property, a society that has conjured up such gigantic means of production and of exchange, is like the sorcerer who is no longer able to control the powers of the netherworld whom he has called up by his spells.”¹ “But not only has the bourgeoisie forged the weapons that bring death to itself; it has also called into existence the men who wield those weapons—the modern working class—the proletarians.”²

While the two major classes of modern society were locked in fierce and unfolding struggle, Karl Marx, a 29-year-old German, watched closely with penetrating eye the cause, progress and outcome of this struggle and the means employed. In 1847 Marx wrote in a simple house in Brussels the *Communist*

Manifesto, the first comprehensive guide for the oppressed class in human history.

He wrote that "in depicting the most general phases of the development of the proletariat, we traced the more or less veiled civil war, raging within the existing society, up to the point where that war breaks out into open revolution, and when the violent overthrow of the bourgeoisie lays the foundation for the sway of the proletariat."³ While studying the proletariat's inevitable struggle against the bourgeoisie and its course and goal, Marx advanced the concept of violent revolution.

This concept consists of three tenets: First, given the fierce confrontation between the two antagonistic classes in modern society, violence has become the most direct, most effective and most commonly used means. Second, the proletariat is compelled to resort to violence when its legitimate claim is met with violence by the bourgeoisie. Third, the proletariat never excludes nonviolent means, such as peaceful means, in accomplishing its historical mission and is opposed to any claim of "absolute violence." This, however, is possible only when the ruling class acts in accordance with the constitution of a democratic republic.

Marx did not himself indulge in violent revolution. He advanced scientific propositions by summing up the experience gained by the proletariat. For instance, drawing on the lessons of the mid-19th-century European revolution, he made the pointed comment that "the liberals of various coloration who participated in the 1848-1866 revolution will not today give up the right to use violence against any attempt to abolish the constitution by means of violence."⁴ "The senseless killing after June and October, the widespread persecution after February and March—such counterrevolutionary brutality suffices to convince people that there is only one alternative that can shorten the desperate deathbed fight of the old society and the throes of the birth of the new society, that is, to have terror of revolution."⁵ However, Marx did not neglect any opportunity for peaceful struggle: "If there is no counterrevolutionary violence that must be opposed in the first place, violent revolution

is out of the question."⁶

The bourgeoisie, however, never gave the proletariat any opportunity to accomplish its historical mission through peaceful means. In view of this, Marx, drawing on the lessons of one revolution after another, repeatedly counseled the proletariat that "violence is the midwife of the old society that helps give birth to a new society."⁷

As a scientific proposition, violent revolution has been tested and revised in practice. Engels contributed much in this field in his late years. In 1895 he wrote in the preface to *Class War in France* by Marx that "as the conditions of struggle here have gone through fundamental changes, the old type revolts and the street barricades and fighting that were so effective before 1848 have become more or less archaic now."⁸ He proceeded to suggest that "in a country where the people's representative organ has all the powers and the constitution can be observed with the consent of the majority of the people, the old society may peacefully evolve into a new society."⁹

With the surging socialist revolution moving eastward, conditions became ripe in Russia in the late 19th century for the proletariat to realize predictions of revolution.

In view of Russia's being the converging point of conflicts among the imperialist powers, Lenin boldly revised Marx's proposition that socialism could become successful only simultaneously in several developed countries. He believed that socialism could be accomplished first in a backward country. The roar of guns of the cruiser *Afrol* in 1917 marked the birth of a new era for oppressed people. The victory of the October Revolution once again testified to the soundness of Marx's view that revolution must adapt itself to specific conditions in the way it is conducted.

In reviewing the experience of the October Revolution, Lenin pointed out that "history has demonstrated that without violent revolution there can be no victory of revolution."¹⁰ At the same time he stressed: "What basic requirements should be asked by every Marxist in studying the way in which the struggle is conducted? First, Marxism is different from all

socialism in primitive forms in that it does not confine the movement to a particular way of struggle. Second, Marxism requires that we approach the way of struggle in a historical context.”¹¹ Herein lies Lenin’s enrichment of Marxism.

II. From Differentiation of the “Two Major Camps” and the “Three Worlds” to Cooperation and Common Progress

According to Marxist doctrine enriched by Lenin, after winning victory in a backward country, the proletariat must carry out continuous world revolution. Only by doing so can socialism be consolidated and expanded. Lenin declared that “the victory of the proletariat in Russia has ushered in a new era, namely, the era of world revolution.”¹² “The era of world revolution is a new era.”¹³

The world revolution had both domestic and international dimensions. Domestically, Lenin aimed to build a material basis for socialism through continued revolution and to attack the “remnant forces” of Russian capitalism, including the petty peasant bourgeoisie. In the summer of 1905 Lenin, in an article entitled “Two Policies,” called for the establishment of a “revolutionary and democratic dictatorship of the proletariat and peasantry.” By 1917, however, Lenin had given it up in favor of establishing a “dictatorship of the working class.”¹⁴

Shocked by the Kronshtadt Incident, the Russian Communist leadership, headed by Lenin, conducted theoretical and policy review. Then Lenin introduced a “new economic policy” that gave more incentives to peasants and allowed greater economic freedom in the country.

Internationally, the strategy of world revolution aimed to accelerate the transition from world capitalism to socialism under the leadership of Russia.¹⁵ “That is to say, the October Revolution has ushered in a new era, namely, the era of proletarian revolution in the imperialist countries.” “The era of the demise of capitalism has set in.”¹⁶ But the international bourgeoisie staged a vehement counterattack with counterrevolu-

tionary violence. While the armed invasion of the 14 powers failed to strangle the infant Soviet regime, it nonetheless greatly weakened it. Meanwhile, socialist revolutions in Germany and then in the Far East were brutally crushed by the international bourgeoisie. As a result, the strategic goal of world revolution to speedily overthrow the bourgeois rule of the world failed to be accomplished, and the world was quickly split into two major camps locked in bitter confrontation and competition.

In 1919 Stalin advanced the theory of "two camps" on the basis of Lenin's thinking: "The world has been split into two irreconcilable camps: the imperialist camp and the socialist camp."¹⁷ Owing to capitalist intervention, blockade and encirclement, the world economy was also split into a capitalist economic system and a socialist economic system: "Capitalism is no longer a united and all-inclusive world economic system. In addition to the capitalist economic system a socialist economic system exists."¹⁸ Stalin said this in 1930.

Thus, a situation had evolved in which the two major camps found themselves in face-to-face confrontation and competition that covered political, economic, military, cultural and diplomatic fields. The Russian Communists were faced with a critical challenge of ensuring survival and breaking the capitalist blockade, which made it impossible for them to turn their attention to economic development. In Stalin's words: "We should make it abundantly clear to our comrades in the Party that no economic victories, no matter how great they are, can do away with the fact of capitalist encirclement and the consequences arising therefrom."¹⁹

While the socialist Soviet Union achieved unprecedented military and political victory over capitalism in the first half of the 20th century, it ran into enormous economic problems owing to giving exclusive priority to the development of heavy industry and exploiting peasants in disregard of economic laws.

World War II expanded the socialist camp across the Eurasian continent. Yet the potential strategic challenges of how to balance economic development and military and political build-up and of what revolutionary strategy was to be adopted for

world socialism later triggered the great polemic over the general guideline of the international communist movement and eventually caused the disintegration of the socialist camp.

The Chinese Communist Party put forward the world strategy of overthrowing capitalism by means of violent revolution in opposition to Khruschev's world strategy for promoting peaceful transition and a world free of war and nuclear weapons. It is no longer relevant today to pass judgment on the polemic, as pragmatism has replaced ideology. However, the rupture between China and the Soviet Union caused by the polemic between them paved the way for the bipolar world to evolve into a multipolar world and for the emergence of a new theory guiding international relations.

Back in the mid-1960s, Mao Zedong pointed out that the world political scene was no longer a simple division and confrontation between the socialist camp and the capitalist camp, as had been the case in the 1950s. The world was experiencing great turmoil, division and realignment.²⁰ There were growing contradictions among the imperialist countries and widening differences among the socialist countries. The former colonies and vassal states in Asia, Africa and Latin America longed for independence. All this led to great disorder in the world. Mao observed three basic trends underlying the disorder: First, the peoples in Asia, Africa and Latin America were determined to free themselves from bondage. Second, the Soviet Union had moved from big-party chauvinism to hegemony in handling international affairs and particularly in its relations with other socialist countries. Third, the Western camp, headed by the United States, had become increasingly disunited and was moving towards disintegration. In view of this, China stopped subscribing to the concept of "two major camps" after the great Sino-Soviet polemic and advanced a new theory of "three worlds."

On November 5, 1971, Chinese Vice-Foreign Minister Qiao Guanhua for the first time stated China's view on the three worlds in a speech delivered at the United Nations:

"Without economic independence, a country's independ-

ence is incomplete. The economic backwardness of the Asian, African and Latin American countries is caused by imperialist plunder. To oppose economic plunder and protect its resources is the inalienable sovereignty of an independent country. China is still a country with a backward economy. It is a developing country. Like the majority of countries in Asia, Africa and Latin America, China belongs to the Third World.”²¹

During his meeting with Traore, the head of state of Mali, on June 22, 1973, Mao Zedong stressed that both China and Mali were developing countries in the Third World.

Mao further elaborated his view in a meeting with Zambian President Kaunda: “In my view, the United States and the Soviet Union belong to the First World. The middle roaders, such as Japan, Europe and Canada, belong to the Second World. We belong to the Third World.” “The Third World is large in population. All the Asian countries, except Japan, are Third World countries. The whole of Africa belongs to the Third World, so does Latin America.”²²

Deng Xiaoping gave a most comprehensive exposition of Mao Zedong’s theory of differentiating the three worlds.

Addressing the Sixth Special Session of the UN General Assembly on April 10, 1974, Deng Xiaoping stated, “Against the backdrop of great disorder under heaven, the political forces in the world have gone through drastic division and realignment after a protracted trial of strength. An increasing number of Asian, African and Latin American countries have won independence and are now playing a growing role in international affairs. The socialist camp that came into being after World War II has ceased to exist, owing to the emergence of social imperialism. Under the law of the uneven development of capitalism, the Western imperialist group has disintegrated. The changes in international relations show that there now exist three worlds, which are interconnected but also at variance with one another. The United States and the Soviet Union make up the First World. The developing countries in Asia, Africa and Latin America and other regions belong to the Third World. The countries between them make up the Second World.”

"China is both a socialist country and a developing country. China belongs to the Third World."²³

Deng Xiaoping's exposition of the three-world theory has the following characteristics: First, he used a systematic approach. Instead of arranging the key elements (contradictions) in a mechanical way, he identified the inherent links between them and the functions of these elements. Second, he used the methodology of comprehensive analysis based on class analysis. Thus he not only identified the East-West contradiction, but also revealed the gap between South and North in economic development and the degree of independence of the developing countries, etc. Third, Deng Xiaoping had his eyes on the future of both China and the world in making his analysis. "China will not be a superpower, not now or in the future. The world's people have the right to overthrow China if it is so."²⁴

The world experienced new changes in the 1980s. First, the US-Soviet rivalry became fiercer. After the Soviet occupation of Afghanistan the United States abandoned its strategy of détente and adopted a strategy of new cold war, which again led the two superpowers onto a path of confrontation. Second, the Third World countries ran into increasing difficulties in economic development, and the gap between South and North was widened. The inequitable international order hindered the growth of countries in the South. Third, with their economies taking off, western Europe and Japan became centers of new forces. All these demonstrated that the world was moving from the sway of monolithic capitalism through the bipolar world of two major camps to a multipolarized world and that democratization of world affairs had become the general trend. Within the three worlds a complex set of relationships was evolving among the four basic forces of East, West, South and North. Deng Xiaoping was keen to see the new changes in global development. He stated, "We now face two pressing priorities with global dimensions, namely, the question of peace and the question of economic development. The former involves the East and West, and the latter involves the South and North, which can be summarized as East, West, South and North."²⁵

With all this in mind and with an eye on the future of both China and the world, Deng Xiaoping put forward the propositions of peaceful coexistence and mutual cooperation, which I summarize as embarking on the path of cooperation and common progress on the basis of peaceful coexistence.

The theory of peaceful coexistence was first advanced by Lenin and later developed by Stalin and Mao Zedong. In particular, as the foundation of China's foreign policy, it played a major role in postwar international relations. Deng Xiaoping not only inherited but developed the theory of peaceful coexistence in light of a changing world.

1. The principle of peaceful coexistence used to be applied to countries with different social systems. The Soviet Union replaced the principle of peaceful coexistence with the theory of "great family" and "international dictatorship" in handling relations with other socialist countries. Deng Xiaoping expanded it to cover bilateral relations among all countries.

2. Originally, the principle of peaceful coexistence was applied to international relations, but Deng Xiaoping also applied it to the internal affairs of a country, which represents a major expansion of the theory. During his meeting with Burmese President U San Yu, Deng said that "it is now perhaps time to apply the principle of peaceful coexistence to address the internal problems of a country. We have put forward the formula of 'one country, two systems' for achieving China's reunification in light of its specific conditions. This, I think, is also peaceful coexistence."²⁶

This proposition of Deng Xiaoping not only enriches the theories of Lenin and Mao Zedong, but also provides the theoretical underpinning in international politics for filling a historical gap and ushering in a new era. It represents a breakthrough in the traditional theories, ranging from violent revolution to the two major camps and the three worlds.

This new theory provides both the possibility and necessity for cooperation and development between two different systems, within the same system, among countries, parties and organizations, both in the international arena and among dif-

ferent regions and ethnic groups in the same country.

On this basis Deng Xiaoping put forward the theoretical proposition of cooperation and common progress to replace the theory of world revolution and the theory of taking class struggle as the key link.

Deng Xiaoping's proposition on cooperation and common progress mainly consists of the following: (1) South-South cooperation and development; (2) South-North cooperation and development; (3) East-West détente, cooperation and common progress; (4) joint development of international hot spots, territory under dispute, etc.

On South-South cooperation Deng Xiaoping stressed the need for South-South cooperation and South-North dialogue during his meeting with Brazilian President Figueriredo on May 29, 1984. He pointed out that South-South cooperation is the basis of collective self-reliance and that "by drawing on each other's experience and engaging in cooperation, the Third World countries have much to accomplish and the prospects are bright."²⁷ "It is imperative to develop South-South cooperation and much can be accomplished."²⁸ "South-South cooperation is also important in that it can promote South-North cooperation."²⁹

Deng Xiaoping outlined the significance of South-North cooperation in the following three ways: First, if the South-North gap is not narrowed, it will not only stifle the economic development of the countries in the South, but also "hinder the fast growth of the countries in the North."³⁰ "It will also be hard to resolve the market and economic issues faced by the West."³¹ Second, the dragging of the South-North problem will impede the recovery and growth of the world economy as a whole. Third, the South-North problem "directly bears upon the development of human society." "If this problem remains unresolved, human society will run into problems in its development."³²

On East-West relations Deng Xiaoping explicitly stressed the need to oppose models of "big family," "bloc politics" or "sphere of influence."³³ He called for adopting the Five Principles of Peaceful Coexistence to go beyond differences in social

system and ideology and overcome self-centered nationalism to achieve cooperation and development.

On cooperation and development of "hot spot" areas, Deng Xiaoping considered it imperative to "find a way out of the blind alley." He envisaged that "people may put aside disputes over some territories and engage first in joint development. In face of such problems, we should respect reality and find a new approach."³⁴ Deng Xiaoping further elaborated his thought on common development and its significance to human society at a meeting of the Central Advisory Committee of the Communist Party of China held at the end of 1984.

III. "One Country, Two Systems": The Philosophical Basis for Deng Xiaoping's Concept of the Choice of Social System, Requirements of the Contemporary World Order and the Hope for Integrating Human Society

The concept of "one country, two systems" was first advanced by Deng Xiaoping during his meeting with a delegation from the Center for Strategic and International Studies of Georgetown University in the United States on February 22, 1984. It is a great strategic concept advanced by Comrade Deng Xiaoping by drawing on the experience, both positive and negative, of the theory and practice of international socialism and pooling the wisdom of the whole Party, in light of China's specific conditions, and with world peace and development in mind. It immediately received warm response worldwide. British Prime Minister Mrs. Thatcher praised the concept as a "most gifted creative idea." Former US Secretary of State Kissinger observed that "the plan of one country, two systems adopted by the Chinese government is workable."³⁵

The concept of "one country, two systems" is the logical product of the political line adopted by the Chinese Communist Party at the Third Plenary Session of the Eleventh Central Committee rather than an idea hit upon. During his meeting with a Hong Kong business delegation in June 1984, Deng

Xiaoping said, "Our policy is to practice 'one country, two systems' in a country, that is to say, over one billion people on the mainland in the People's Republic of China will practice socialism, while Hong Kong and Taiwan may practice capitalism."³⁶ Deng Xiaoping further elaborated his thinking in a meeting with British Foreign Secretary Geoffrey Howe in July 1984: "The concept of 'one country, two systems' is not something we have decided upon today. Rather, the idea has been in the making for several years, particularly since the Third Plenary Session of the Eleventh Central Committee of our Party."³⁷

1. The concept of "one country, two systems" was put forward in view of the overall evolution of postwar international relations and with the objective of peace, cooperation and development in mind. It is completely different from the "two major camps" theory, the "world socialist republic" theory and the theory of "international dictatorship."

2. The fundamental goal of the concept of "one country, two systems" is to bring about China's reunification. Owing to historical causes, Hong Kong and Taiwan have long been separated from the mainland. To accomplish China's reunification, it is imperative to respect both the aspirations of the whole Chinese nation and the way of life and specific conditions of social and historical development of people in Hong Kong and Taiwan. This concept represents a flexible and pragmatic approach that takes into account China's actual conditions.

3. "One country, two systems" is applied under the practice of socialism on the Chinese mainland. The mainland has a population of over one billion; Taiwan has a population of close to 20 million, and Hong Kong has a population of 5.5 million. While the mainland adheres to the Four Cardinal Principles, Hong Kong and Taiwan may continue to practice capitalism. Thus the application of "one country, two systems" will help accelerate the mainland's economic modernization program by drawing on the capitalist economic expertise of Hong Kong and Taiwan. Herein lies the complete accord between the principled stand of Marxism and the situation on the ground.

4. "One country, two systems" will remain China's long-

term basic national policy. Deng Xiaoping once pointed out that "we are not acting on the spur of the moment or playing politics when we adopt the approach of "one country, two systems" for resolving the Hong Kong issue."³⁸ "We shall honor our words."³⁹ "China honors its commitment."⁴⁰ This shows that Deng Xiaoping has the foresight to give consideration to both immediate and long-term interests.

As a completely new concept on the choice of social system, "one country, two systems" not only enriches and develops Marxism, but also produces a profound impact on both the global political evolution and the future of human society.

The concept of "one country, two systems" has enriched Marxist thinking on the state. Long before the emergence of Marxism, utopian socialists made various predictions about the form of state power in the future society, such as the French Morelly's "social monarchy" and the "republic system" advanced by the British Winstanley and the French Mably and Cabet. In 1850 Marx wrote in *The Class Struggle in France* that the "social republic" was the red power of the working class and that the Paris Commune of 1871 represented the ideal form of the working class social republic. In his late years Engels pointed out that "the democratic republic can be considered a special form of proletarian dictatorship."⁴¹

Following the victory of the October Revolution Lenin pointed out that "a new chapter in world history, namely, the era of proletarian dictatorship, has begun. However, many countries still need to improve and complete the various forms of the Soviet system and proletarian dictatorship." "There is much to be accomplished by us in this respect."⁴²

Deng Xiaoping's concept of "one country, two systems," or "one country, several systems," cannot be traced in the classic writings of Marx, nor is there any precedent in human history. This concept goes beyond the confines of the traditional single-country system. It is a special system functioning under the single-country system, but carrying certain features of a composite state system. Yet it is different from the federal system or the parliamentary system of multiparty rule. This concept

also represents a historical breakthrough in the Marxist theory on the nature of state. Marxism believes that the bourgeois state has dual functions, namely, the functions of oppression and administration. Focusing on violent revolution, Marxism stresses the class nature of state and touches less on its function of administration. With the progress of human society and the evolution of the state, the state's function of organizing large socialized production is being enhanced. Without neglecting the class nature of the state, Deng Xiaoping advocates the use of capitalist society's expertise in managing socialized large-scale production in the service of a sovereign socialist state. He has no doubt made a daring endeavor.

The concept of "one country, two systems" paves the way for world peace and development. Internationally, "one country, two systems" has led to the advancement of such concepts as "one globe, two systems," "one region, two systems" and "one globe, multisystems." This breaks the confine of the "one globe, one system" model pursued by the two major camps, helps bridge the political, economic, cultural, religious and ideological gap in human society and is therefore conducive to promoting the enduring and peaceful development of the international community. The two world wars combined lasted ten years and three months, involving 80 percent of the world's population and costing 60 million lives. People detest war and long for peace. "One country, two systems" responds to this call of the times and provides a sound and workable strategic concept for the international community. As pointed out by Deng Xiaoping, "With regard to some international territorial disputes, we may put aside the issue of sovereignty and pursue joint development first. In face of such issues, we need to respect reality as it is and seek a new approach to resolving issues."⁴³ "I believe it is possible to resolve some international conflicts by this means."⁴⁴

The concept of "one country, two systems" or "one globe, multisystems" is of great importance in promoting global economic development and integration. Owing to the cold war and ideological barriers after World War II, two artificial economic camps came into being. The Marshal Plan, the Molotov Plan,

the Paris-based Coordinating Committee for Multicontrol and the Council for Mutual Economic Aid call to mind the economic confrontation of those years. Today the economic gap has not only hindered the growth of the socialist economy and social development, but also contributed significantly to the sustained stagnation in Western countries. The concept of "one country, two systems" helps to break down economic barriers, build an economic bridge acceptable to all between South and North and between East and West and speed up the early establishment of a new international economic order.

"One country, two systems" and "one globe, multisystems" point the direction for the process of democratization of international relations and for the establishment of a democratic, just and open international political order. Deng Xiaoping stressed that "it is imperative to establish both a new international economic order and a new international political order."⁴⁵ We are in a transitional period in international politics, moving from a bipolar world to a multipolar world. How to accomplish the historical mission of establishing these new orders is a major challenge facing statesmen and strategists of all countries. The concept of "one country, two systems" provides the theoretical underpinning and political strategy as well as an operating model for meeting this challenge. It stands out as a most original and innovative theory among the numerous theories and strategic doctrines in contemporary international politics.

IV. "Create Several More Hong Kongs": Deng Xiaoping's Grand Strategic Thought on the Future of Chinese Society

On June 3, 1988, Deng Xiaoping said that "we should create several more Hong Kongs on the mainland." Later he repeated the call on several occasions: "I have said that we should create several more Hong Kongs. By this I mean that we should open up further and not close the door. The door should be opened much wider than in the past. Without opening up, China's development will be out of the question." This summarizes his

thought on promoting the development of special economic zones.

Some people are concerned that "creating several more Hong Kongs" would fall back on the beaten path of the old Hong Kong as a colony and result in the loss of China's sovereignty. Some people have asked: Why should Deng Xiaoping use such a slogan to guide the development of special economic zones? Isn't it a great deviation from Marxism? What is its relevance in the evolution of the international community today?

To answer these questions, it is necessary to review Deng Xiaoping's strategic thought on setting up special economic zones and appraise objectively Deng Xiaoping's place in the history of Marxist theory on nation building.

Let's examine how Deng Xiaoping's thought on developing special economic zones has evolved. At Deng Xiaoping's suggestion, four special economic zones were set up in Shenzhen, Zhuhai, Shantou and Xiamen after the Third Plenary Session of the Eleventh CPC Central Committee. This was followed by the opening up of 14 coastal cities, the whole province of Hainan and the Pudong area of Shanghai. As a result, China's coastal regions are now completely open to the outside world. In 1984 Deng Xiaoping inspected the special economic zones. He wrote an inscription in Shenzhen: "Shenzhen's growth and its experience show that our reform policy of setting up special economic zones is sound." In Zhuhai he wrote: "The Zhuhai Special Economic Zone is good." He wrote in Xiamen: "Speed up the development of special economic zones."⁴⁶

In spring 1992 Deng Xiaoping went on an inspection tour of southern China. Addressing the concerns of some people, he stressed that "at the very outset of the setting up of special economic zones, some people had different views and were concerned whether this was practicing capitalism. Shenzhen's progress in development has given them an answer that is loud and clear: The special economic zone is socialist rather than capitalist in nature."⁴⁷ That is to say, the setting up of special economic zones is not to introduce capitalism or revert to

colonialism. What it does is to turn the special economic zones into a "window"⁴⁸ for absorbing overseas expertise and know-how and for publicizing China's policy on opening up under socialist conditions. "Accelerate the development of the mainland economy"⁴⁹ by creating several more Hong Kongs is both China's strategic call for developing the special economic zones and an indication of the Chinese Communists' commitment to opening up. It is a political declaration that announces to the world that China's door, once closed, is now wide open to the entire world and that China is ready to fully integrate itself into the international community by acting in a pragmatic manner.

Deng Xiaoping's strategy for setting up special economic zones, which is unprecedented in the growth of socialism, was the special properties of order, opening up and development.

In general, Deng Xiaoping's overall strategy for setting up special economic zones proceeds in the following order: open the mainland—set up subspecial economic zones—set up special economic zones and subfree ports—adopt the Hong Kong model—adopt the Taiwan model. This strategy proceeds in a gradual way and extends in all directions, both economic and political. In short, it represents the thinking on "one globe, multisystems."

Deng Xiaoping has made numerous remarks in this regard. On February 24, 1984, while commenting on the success of the dynamic growth of the Shenzhen Special Economic Zone, he proposed that "several more places, such as the port cities of Dalian and Qingdao, be opened up in addition to the existing special economic zones. These cities may adopt some of the preferential policies granted to special economic zones, although they may not be called special economic zones in name."⁵⁰ By this, he endorsed the policy of developing "subspecial economic zones." He also said that the special economic zone in Xiamen was too small in area. The whole island of Xiamen should be turned into a special economic zone, so that it could attract more overseas Chinese and foreign investment from places nearby. "The Xiamen Special Economic Zone will not be called a free port, but it may adopt some of the practices

of free ports.⁵¹ Deng thus defined Xiamen's status as a "subfree port."

Regarding the "Hong Kong model," Deng Xiaoping stressed that China's policy on Hong Kong would remain unchanged for 50 years, a pledge based on both political consideration for stabilizing Hong Kong and on strategic consideration for economic development. "In assuring that our policy on Hong Kong will not change for 50 years, we are not just acting on impulse."⁵² Maintaining Hong Kong's stability will both help promote economic development on the mainland and integrate China into the Pacific economy. Therefore, "to maintain Hong Kong's prosperity and stability meets China's vital interests."⁵³

The settlement of the Hong Kong issue "will produce a direct strategic impact on the question of Taiwan."⁵⁴ Talking about the "Taiwan model," Deng Xiaoping said that "likewise, we need to have a stable Taiwan in the period leading to the end of this century and the first 50 years of the next century."⁵⁵ Emerging as one of the four small dragons in Asia since the end of World War II, Taiwan now occupies an important place in both international trade and in the development of a future Pacific economic zone. "When people appreciate the basic rationale behind our policy position, they will then have no doubt about our assurance about no change in our policy on Hong Kong."⁵⁶

Deng Xiaoping's tour of southern China triggered a wave of special economic zones throughout China. The strategy of setting up special economic zones has worked.

Setting up special economic zones is no doubt a daring initiative and a breakthrough in human history, but this is not an original idea that came into being on its own, independent of Marxism. On the contrary, Deng Xiaoping's thought on setting up special economic zones is a great leap forward made on the basis of Marxist theory.

Soon after the victory of the October Revolution, Lenin came to see the importance of introducing advanced capitalist technologies and expertise and international trade mechanisms in the interest of building socialism and developing the Soviet

Russian economy. In view of this, he advanced the theory of "linking" the two economies through proper ways. He pointed out in April 1921 that "a socialist republic cannot possibly survive without entering into contact with the outside world. Under current circumstances we should ensure our own survival by setting up links with capitalism."⁵⁷ In August of the same year Lenin further pointed out that "leasing and foreign trade" provide the means and ways for Soviet Russia to "enter into economic cooperation with the Western capitalist groups."⁵⁸

Yet the links were not put in place in the ensuing seven to eight years. Stalin expressed his puzzlement in his meeting with Campbell: "It is clear that to forge such links is in the interest of both the Soviet Union and the United States. Yet what stands in the way of developing such links?"⁵⁹

In retrospect, the problem was partly caused by the capitalist economic blockade. Yet a more important cause was that the Russian Communists at the time were still unable to free themselves from the nightmare of "world revolution strategy." Thus, at a time when the two major camps were locked in confrontation, it was very difficult for capitalists to transfer capital, technologies and factories to an aggressive young Soviet republic. For instance, back in 1921, Stalin asserted that "as there is not any industrially developed large Soviet neighboring country or several Soviet countries near us with which to cooperate," the Soviet Union could not set up links with capitalist countries. Such strategy naturally could not lead to good economic links with the capitalist countries. Stalin was obsessed with the idea of setting up one or several "industrially developed" neighboring Soviet countries. Guided by such thinking, he forcibly occupied half a million square kilometers of land of the neighboring countries on the eve of the war against German aggression and pushed through the setting up of the Council of Mutual Economic Aid after World War II. Yet history has shown that such a "link" theory within the framework of "world revolution" strategy and the "two major camps" did not work, as it is incompatible with the inherent requirement of world economic integration. This were also borne out by the overnight

collapse of the Soviet Union and the socialist countries in eastern Europe.

Mao Zedong was not a narrow-minded peasant revolutionary leader who was passive about economic opening up, as depicted by some people. For instance, he once declared in a speech addressed to the Second Plenary Session of the Seventh CPC Central Committee that "doing business with foreigners is no problem for us. When there is business to do, we should do it."⁶⁰ Still, he thought that it was much less important to do business with the capitalist countries than to do business with the socialist countries, as he was under the influence of Stalin's thinking on a planned economy and was unable to view the world economy from an open perspective. Deng Xiaoping, however, not only carries forward the positive elements of Mao Zedong's thinking on opening up, but successfully meets the challenge of opening China to the entire world in the course of the country's modernization drive. Theoretically, he expands the thinking on opening up to include the setting up of special economic zones and envisages the strategic opening up of socialism to the whole world, thus greatly advancing Marxism.

The importance of this strategic thinking lies in the fact that it has put a complete end to the foreign policy of self-seclusion pursued by China since the Ming and Qing dynasties and freed China from the historical mental shackle of complacency and conservatism. From the Qin Dynasty onwards, China developed an independent cultural system with a central government and self-sufficient economy within the mountain and ocean borders despite repeated changes in dynasties. China was forcibly opened to the outside world by the Opium War of 1840, the Sino-Japanese War of 1895 and the invasion of China by the eight imperialist powers in 1900. Such things as the leasing of settlements and opening of trading ports left a deep wound on China's national mentality. As a result, even today the mere mention of "leasing" and "opening" revives memories of those old days of humiliation among some people. Yet the fact is that the preferential treatment offered to foreign capital in the special economic zones is completely different from the prero-

gatives enjoyed by foreigners in the settlements in old China. Today foreign investors in China must respect China's sovereignty and abide by Chinese laws and regulations. By paying some "taxes" to capitalism in the special economic zones, China has gained access to technologies, production equipment and management expertise that help promote its economic development.

In a sense, setting up special economic zones in China represents a challenge to the West. Amid a chorus of "grand failure" and "great collapse" of communism, the Chinese Communists have the vision, courage and determination to develop towards the outside world. What is happening in China has demonstrated that socialism is capable of prevailing over capitalism and of bringing out its best in competition and integration. In paying "taxes," socialism has absorbed the cream of capitalism and thus enriched itself and boosted its own growth.

V. "The Sea Is Big Because It Embraces the Flow of One Hundred Rivers": Deng Xiaoping Points the Way for Socialism to Free Itself from Isolation and Embark on the Road to Rejuvenation

A review of history shows that socialism has gone through the cycle of opening-closing-opening. Without opening, there couldn't have been the birth of socialism. Self-seclusion led socialism into a blind alley and almost buried its cause. Today, however, socialism has embarked on the historic path of rejuvenation by becoming open and inclusive.

Long before scientific socialism came into being, various schools of socialist thought existed, such as "bourgeois socialism," "feudal socialism," "agrarian socialism," "petty bourgeois socialism," "utopian socialism," etc. A crude school of socialist thought, calling for equality and common prosperity between the rich and the poor, also emerged in China, but none of these schools of socialist thought could sustain themselves, as they were not free from class bias and historical limitations.

What distinguishes scientific socialism from all other

schools of socialist thought is that it was born in practice. It improved and enriched itself by inheriting all the achievements of civilization and culture that humankind had produced by the 19th century, by critically absorbing the cream of other theories and by integrating itself with the workers' movement. As pointed out by Lenin: "Marxism, which is the ideological system of the revolutionary proletariat, has gained global and historic importance because it does not abandon the finest achievements of the bourgeoisie. Indeed, it has absorbed and reformed all that is of value in the development of human thought and culture in the past 2,000 years and more."⁶¹ He further pointed out that "Marxist theory inherits the fine achievements created by humankind in the 19th century."⁶²

"Marxism is built upon the solid basis of all the knowledge accumulated by humankind under the capitalist system and provided by all the sciences." "Nothing is missed."⁶³ Engels also stressed that "scientific socialism is the product of the international community."⁶⁴ It is precisely because socialism developed on the basis of critically inheriting capitalism, both materially and culturally, that Marx envisaged that socialism would also inherit the material achievements of capitalism. Therefore, the only possible path is to win simultaneous victory in several developed capitalist countries. "In each of such countries, how fast the communist revolution develops depends on whether this country has developed industry, whether it has accumulated wealth and whether it has high productivity."⁶⁵ In short, the development of socialism depends on the material resources and historical heritage it inherits.

History has shown, however, that Marx's vision of "simultaneous victory" is not a feasible one, for it was in Russia, a backward country, that the socialist revolution succeeded, a testimony to historical dialectics. Lenin was fully aware of the importance for a backward country to benefit from capitalist cultural and economic achievements after winning revolution. Yet Stalin quickly oriented economic development towards defense and managed the economy as a war machine. The next generation of Soviet leaders indulged in the fantasy of commu-

nism as "potato plus beef." This affected other socialist countries. Complacency replaced the sober-minded approach of drawing on Western cultural and economic achievements. The socialist countries were focusing on purifying themselves in the struggle between the two camps. Poverty became something to be proud of in revolutionary China, and things went to extremes in the "cultural revolution" when adopting the advanced practices of other countries was labeled "national betrayal," "class capitulation" and "taking the capitalist road." It was even sensationalized asserted that "we'd rather have socialist weed than capitalist seedling." Socialism became increasingly self-isolated.

After the Chinese Communist Party held the Third Plenary Session of the Eleventh Central Committee, Deng Xiaoping, drawing on past lessons, pointed out the direction for the Party to free itself from isolation and embark on the path of rebirth.

Deng Xiaoping also challenged the self-centered tendency and factionalism prevalent in the international communist movement. He put forward four principles guiding interparty relations: independence, complete equality, mutual respect and mutual noninterference in internal affairs. He stressed that "history has shown that it is invariably wrong for a party to try to pass judgment on the performance of another party by its own yardstick or some preconceived ideas."⁶⁶ Toleration, noninterference in other parties' internal affairs and eagerness to learn from others are the only sound ways for handling interparty relations.

Both upholding and developing Marxism under the new historical conditions, Deng Xiaoping has adopted a completely new approach towards a socialist country's absorption of the achievements of capitalism. He stressed that a socialist country should be eager to adopt any concept and practice that had proved feasible and sound in practice. Taking a completely open-minded approach, Deng Xiaoping discarded all outdated ideas, guiding socialism onto a path of renewal. He said, "We shall absorb all the fine achievements from other countries and develop our system into the best one in the world. This is something that capitalism can never accomplish."⁶⁷

In summary, Deng Xiaoping's thought on absorbing the fine achievements of others consists of the following: 1. See socialism and capitalism in a new light, replace preconceived ideas with practical results and grope one's way forward through a process of trial and error. Adhere to what works and discard what proves unworkable. 2. Absorb from other cultures all that is good for China's national and social development and oppose parochial arrogance. 3. Advocate a new approach in work and study that believes in only what works rather than what has been written or claimed by authority. 4. Replace the single-country system with the composite-country system. Advancing the concept of "one country, two systems" represents a great and courageous attempt at building socialism by blazing a new trail in the social system, economic development and state structure.

VI. Peace, Reform, Competition and Development: The General Features and Overall Trend of the New Order in Contemporary International Relations

Human wisdom has today reached the far corners of the vast universe. The global village on which humankind depends for survival is increasingly shrinking. People have extended their vision into unending space and raised new concepts, such as "new frontier," "new thinking," etc. How, then, should China view the world? How should it be understood by the outside world?

To grasp the underlying trend of our times and the pulse of international developments has a direct bearing on the rise and fall of a country, a nation and the whole of humankind. We are faced with a fast changing and unpredictable world. Micro-wise, there are major changes in international relations every three to five years. In a macro context, however, there is relative stability in the international order. To have a keen appreciation of the relationship between the two and handle it properly was the basis on which Marx advanced his theory of socialist revo-

lution.

Against the general international background of the free development of capitalism in the 19th century, Marx put forward the theory of "simultaneous victory" and "violent revolution." Engels advanced the theory of "peaceful evolution" and predicted that Russia would play a pioneering role in making revolution as capitalism was moving towards monopoly at the end of the 19th century. In the early 20th century Lenin grasped the essential features of the time through a web of complex contradictions in capitalist society and arrived at the conclusion that the period of imperialism was also the period of proletarian revolution. Hence, he put forward the theory of "urban-centered revolution" and of "winning victory in one country first." Mao Zedong refused to mechanically copy the experience of the Russian revolution. Through analyzing China's classes and society, he advanced the strategy of encircling the urban areas from the countryside. Whether the judgment of prevailing international developments is sound or not has a direct bearing on the success and failure of all major events in the international communist movement, as proved by the Hungarian Incident and Polish Incident, the great polemic between China and the Soviet Union, the Soviet model of communism as "potato plus beef," the Chinese model of "big-pot" communism, the Yugoslav experiment and China's development of socialism with Chinese characteristics. History has time and again proved that a sound judgment of the general world trend leads to success, while flawed judgment of such trend invariably courts failure or even collapse and destruction.

People today are faced with many questions about our time: What are the essential features of the world today? Is capitalism on the decline and dying, or does it still have potential for growth? What are the prospects for the wave of reform and adjustment that is sweeping the world? These questions cry for sound Marxist answers.

Deng Xiaoping distinguishes himself as a great Marxist thinker, strategist and reformer. His analysis of the current world has the following features: 1. Lay stress on the applica-

tion of basic Marxist methodology, yet without sticking to any dogma. 2. Proceed from realities, make objective analysis and take into full account the constant changes in the scientific revolution and the information age. 3. Observe international developments from a high strategic plane free from class bias and without confining oneself to the immediate period. 4. View things from an overall perspective and oppose a one-sided approach.

Deng Xiaoping first of all responded to the key question of the fundamental feature of the current world. He pointed out: Although war and revolution still exist in some regions and over certain issues, the times have changed through evolution. We are in an era of peace and development for the following reasons: 1. The socialist countries have abandoned the strategy of world revolution in favor of world peace. They are focusing on accelerating economic development. 2. Faced with economic adjustment and new economic competition and rifts, the capitalist countries now mainly concern themselves with economic development and trade competition. 3. The forces for peace have seen unprecedented growth. China and other Third World countries as well as the European countries and Japan in the Second World are all for peace. 4. The superpowers, which are exhausted by the arms race and are under the balance of nuclear terror, do not want to engage in "suicide exchange." 5. The vast majority of the developing countries are for peace and engaged in development endeavors, which is conducive to the establishment of a new international order. The joint efforts of the above members of the international community have become the underlying trend of peace and development in the world today. Deng Xiaoping observed that "for many years we have overstressed the danger of war."⁶⁸ "People were obsessed with the imminent outbreak of a world war and neglected raising productivity and economic development."⁶⁹ Whereas now, "although the danger of war still exists, the war checking factors have grown in strength."⁷⁰ "The forces of peace in the world will outgrow the factors for war."⁷¹ "It is possible to sustain peace during a longer period of time."⁷² Based on these observations,

Deng Xiaoping arrived at the conclusion that peace and development are the underlying trend of the world today. He pointed out that "there are two major strategic challenges that are global in nature: One is peace, the other is development."⁷³ "Peace refers to East-West relations, particularly the relations between the two superpowers. North-South relations refer to the relations between the developing countries and developed countries."⁷⁴ According to Deng Xiaoping, the countries in the North are rich and developed, while the countries in the South are poor and underdeveloped. The gap between the rich and the poor is widening. If the countries in the South, which account for three fourths of the world's population, remain undeveloped, it will hinder the growth of the whole world. Therefore, the North-South issue is the core issue that directly concerns peace and development. In making the above analysis, Deng Xiaoping took into account both the overall situation and particular aspects, both the complete picture and the priority issue. Thus his analysis is both penetrating and pointed.

Deng Xiaoping did not fall into the trap of arguing about whether capitalism was moribund and dying or moribund but not dying, which is a rather tedious and fruitless exercise. He based his observations on realities, eager to discover new things and break new theoretical ground.

On the basis of identifying peace and development as the basic trend of the world today, Deng Xiaoping adopted the strategy for accomplishing the goal under current conditions, namely, carry out reform and adjustment, participate in international competition and seek coexistence.

Deng Xiaoping's thought on reform is derived from his perspectives on the current era. He calls the reform China's "second revolution," which is indeed most appropriate. China's democratic revolution is the first landmark in the evolution of contemporary China, and the ongoing reform is the second landmark in the evolution of the contemporary Chinese nation. An unprecedented revolution in China's history, it will usher China into the next century and turn it into a powerful member of the international community. Deng Xiaoping is keenly aware

of the fact that carrying out reform is not China's creation but a sweeping global trend. The socialist countries started reform back in the 1950s, which gained momentum in the 1970s and accelerated in the 1980s. Reform in the capitalist countries can be traced back to the economic adjustment started in the 1970s and perhaps even to the Roosevelt New Deal in a much earlier period. The Third World countries are also carrying out profound political, economic and cultural reform in face of new challenges. Whether reform is successful or not directly concerns a country's rise and fall.

In the final analysis, reform is carried out to meet the challenge of the third scientific and technological revolution and fierce international competition. Today the competition between socialism and capitalism is more economic, cultural and political than military. A war without smoke is being fought worldwide amid calls for "peaceful evolution" and "winning victory without fight." Socialism should be able to prove that it is superior economically and culturally as well. The competition is not confined to socialism and capitalism, but is also found between the superpowers, in the developed countries and within the Third World. The US-Japanese trade disputes and the internal contradictions within EC all give expression to the fierce economic competition and uneven development under capitalism. All the nation states are faced with a new historical choice. With the approaching of the 21st century in mind, Deng Xiaoping has identified the basic world trend and pointed the direction of reform, competition and development for us. This marks the departure point for humankind to bridge the gap in history and realize the long cherished dream in the new era.

Notes

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8. *Ibid.*
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Chapter 5

Build Socialism with Chinese Characteristics Is the Core of Deng Xiaoping Thought

Socialism with Chinese characteristics owes itself to Deng Xiaoping, just as scientific socialism owes itself to Marxism. Scientific socialism is the core of Marxism and the departure point and goal of Marxist philosophy and political economy. Similarly, socialism with Chinese characteristics is the core of Deng Xiaoping Thought as well as the departure point and goal of Deng Xiaoping's philosophical thought, his analysis of the world's development trend and the choice of social system. That is to say, the whole scientific system of Deng Xiaoping Thought aims to meet the actual need of building socialism with Chinese characteristics. To build socialism with Chinese characteristics underlies Deng Xiaoping Thought.

I. It Is Imperative to Arrive at a Correct Understanding of China's Actual Conditions in Finding Solutions to Its Problems

Back in 1939, Mao Zedong pointed out that "gaining a clear understanding of the nature of Chinese society, namely, China's national conditions, is the prerequisite for gaining a clear understanding of all the issues concerning the revolution."¹ Broadly speaking, national conditions refer to the social form of a country and the stage of development it is in, the level of its economic and cultural development, population, land area and location, resources, natural environment, historical traditions, its international environment, etc., which fall into the following four categories: natural conditions, social, economic and political structure, historical and cultural traditions and their impact

and the international environment in which the country finds itself. In a narrow sense, national conditions refer to the social nature, structure and environment of a country during a given historical period. National conditions thus cover both the natural and social conditions of a country and both its history and reality. Revolution and economic development can proceed only under concrete national conditions, in a particular historical stage and in a specific domestic and international environment. Thus, it is essential to proceed from reality and have a good understanding of a country's national conditions in order for revolution and economic development to succeed. Otherwise, revolution and economic development will inevitably run into difficulty and even suffer failure.

During China's New-Democratic Revolution at the end of the 1920s and at the beginning of the 1930s, Qu Qiubai, Li Lisan and, particularly, Wang Ming pursued an erroneous "Left" line. Failing to see China's national conditions as they were, they neglected the fact that peasants made up the vast majority of China's population and therefore constituted the main force of the Chinese revolution and the fact that there was uneven political and economic development in China. What is more, they refused to accept the correct policy of setting up revolutionary bases in the rural areas and encircling the urban areas from the countryside before seizing national political power. Owing to the influence of this "Left" policy, all the urban revolts organized by the Communist Party were crushed and all the urban underground Party organizations were exposed and their members arrested. The Chinese Communists lost almost all their rural revolutionary bases, and the Communist-organized Second Revolutionary Civil War in China ended in failure. The Chinese Workers and Peasants Red Army was forced to start the Long March, which was full of danger and hardship. During a meeting held in Zunyi the correct political line put forward by Mao Zedong, which accorded with China's actual conditions, was accepted by the whole Party, saving the Chinese Communist Party from failure and leading the Chinese revolution onto the path of victory.

During the period of socialist revolution and construction, the Chinese Communist Party adopted at its Eighth National Congress in 1956 a correct political line of speedily turning China from a backward agricultural country into an advanced industrial country on the basis of drawing upon historical lessons, both Chinese and foreign, and correctly identifying the main contradictions in Chinese society and in light of China's national conditions. The Party, however, came increasingly under the influence of "Left" thinking from the late 1950s onward, and it went further and further away in its erroneous assessment of China's prevailing national conditions. It asserted that "the contradictions between the proletariat and the bourgeoisie and between the socialist road and the capitalist road have no doubt emerged as the main contradictions in China today."² The "struggle between two classes and two roads" was taken as the key for guiding daily work. The size of the collective economy was drastically expanded in an attempt to boost public ownership and eliminate "remnant capitalist elements," thus accelerating the advance of communism. Later, "carrying out class struggle" and "opposing capitalism and revisionism" were taken as the central tasks under socialism. This eventually led to the outbreak of the "great cultural revolution" in 1966, in which government officials were forcibly removed from office as capitalist roaders and lawlessness became the order of the day. China's economy was driven to the verge of total collapse. Things did not change until 1978, when the Chinese Communist Party reaffirmed the political line of seeking truth from facts at the Third Plenary Session of its Eleventh Central Committee. Proceeding from China's reality, the Party abolished, once and for all, the policy of "taking class struggle as the key link" and adopted the strategic decision of giving priority to economic development. China thus embarked on the path of building socialism with Chinese characteristics and entered into a new period in socialist revolution and economic development.

History has shown that appreciating China's national conditions in the proper context is the departure point for addressing the problems the country faces and the prerequisite for pursuing a political line of seeking truth from facts in carrying out socialist

revolution and economic development in China. Without doing so, one will deviate from the political line of seeking truth from facts, the basic requirement of the theory of Marxism and scientific socialism, the correct path of carrying out China's socialist revolution and economic development. The logic is not difficult to understand. Objective development and people's practices are complicated in nature and dictated by both the general law governing development and concrete conditions. People need to both follow theoretical principles and proceed from actual conditions in pursuing development. The same is true of China's cause of socialist development. Scientific socialism and Marxism aim to identify the basic laws governing the historical development of human society and the general direction and conditions of human emancipation and prove the inevitability of the birth and growth of socialism by reviewing the general evolution of human society. China's socialist revolution and economic development proceed in a Chinese context. We are not building socialism on the basis of highly developed capitalism, as envisaged by the founders of Marxism. China's reality is also different from that of other socialist countries. Therefore, it won't do to mechanically follow the basic tenets of scientific socialism and copy the experience and models of other countries. We must proceed from China's national conditions and embark on a path of socialist development with Chinese characteristics by integrating the basic principles of scientific socialism with China's actual conditions. With this in mind, Deng Xiaoping explicitly pointed out in his opening address at the Twelfth National Congress of the Communist Party of China: "We must proceed from China's reality in pursuing a modernization program. It is important to draw on the experience of other countries, in both revolution and construction. Mechanically copying the experience and model of other countries, however, will never work, as we have learned well from our own experience. Blaze our own trail and build socialism with Chinese characteristics by integrating the universal truth of Marxism with China's specific conditions: This is the conclusion we have arrived at by drawing on the experience gained over a long historical period."³

Thus, it can be seen that appreciating China's national conditions in a proper context was the basis on which Deng Xiaoping's theory on building socialism with Chinese characteristics was developed. This theory is in keeping with both the basic principles of scientific socialism, founded by Marx and Engels, and the reality of China today. This means what we are building is not socialism in the general sense of the term or following the model of other socialist countries. Rather, it is socialism with Chinese characteristics and based on China's specific conditions. Deeply rooted in China's reality and without being constrained by the teachings of Marxist writings, such a theory is full of vitality and is not affected by the fate of socialism in other countries. Appreciating China's national conditions in a proper context underlies socialism with Chinese characteristics and ensures its vigorous growth.

II. China Is Still in the Primary Stage of Socialism: Deng Xiaoping's Basic Assessment of China's National Conditions

To appreciate China's national conditions in a proper context, it is necessary to learn about the various aspects of contemporary China, including its natural conditions, social, economic and political structure, impact of historical and cultural traditions and its international environment. Of key importance is to arrive at a sound assessment of the nature of the current stage of Chinese society.

In the Resolution on Certain Historical Issues Concerning the Party Since the Founding of the People's Republic of China, adopted under the leadership of Deng Xiaoping in 1981, our Party arrived at a sober assessment of the social nature of China today: "Our socialist system is still in its primary stage."⁴ This view was further elaborated in the report to the Party's Twelfth National Congress, the resolution of the Sixth Plenary Session of the Twelfth Central Committee and particularly the Thirteenth National Congress of the Party. It is clearly pointed out in the report to the Party's Thirteenth National Congress that

to have a correct understanding of the current historical stage of socialism in China is of key importance to building socialism with Chinese characteristics. It is the basis for adopting and pursuing correct policies and lines. Our Party has found an answer to this critical question: China is still in the primary stage of socialism. This conclusion carries two implications: First, China is already a socialist society and we must adhere to and not deviate from socialism. Second, socialism in China is still in its primary stage. We must recognize this reality and not skip this stage. Then what kind of stage is the primary stage of socialism in China? It does not refer to the initial stage that any country goes through when building socialism, but the specific stage in China, characterized by low productivity and an undeveloped commodity economy, that China has to go through in building socialism. After the Thirteenth National Party Congress Deng Xiaoping told a visiting delegation of the Japanese Socialist Party that one of the things done by the Thirteenth National Party Congress was to "expound the theory of the primary stage of socialism in China."⁵ Advancing this theory showed that our Party had grasped the essence of China's national conditions. This basic assessment of Deng Xiaoping's of the current national conditions in China is of great importance to building socialism with Chinese characteristics.

According to historical materialism, history is created by humans, but it is not created by them at will. Rather, history is created by humans under conditions they encounter or inherit.

People can accomplish only what has been made possible by existing material conditions. The realities are both changing and relatively stable and find expression in different stages in the evolution of human society. The basic conditions that are relatively stable in social development provide the objective basis for differentiating a particular stage in social development from those preceding or following it, while the basic conditions that are in constant change link a particular stage in social development with those preceding or following it. People need to gain a thorough understanding of the historical stage their country is in before they can do what is objectively possible to

advance the progress of history. This is like choosing the right season for planting crops. If the right season is missed, the crops planted will not yield harvest, a fact that has been amply found out by Chinese peasants. Failure to correctly understand the historical stage a country is in will inevitably lead to blind pursuit. Our Party's past advocacy of turning the whole Chinese economy into a public economy, making a big leap forward, setting up people's communes, accelerating the advance into communism and taking class struggle as the key link all resulted from a lack of understanding of the basic fact that China is still in the primary stage of socialism.

To build socialism with Chinese characteristics, it is important, above everything else, to gain a correct understanding of China's national conditions and integrate the universal truth of Marxism with China's realities. The "realities" here refer to the current and comprehensive conditions in China, not conditions in the past or something superficial. Only when the essence of such realities is grasped, is it possible to apply the universal truth of Marxism to China. Deng Xiaoping's scientific assessment that China is still in the primary stage of socialism correctly reflects the current realities in China and makes it possible for the universal truth of Marxism to be integrated with China's realities in the second historical stage. Advancement of the theory of the primary stage of socialism provides both theoretical guidance and methodology for studying the political, economic and cultural aspects of Chinese society today. This theory also identifies the basic features of the productivity, relations of production and superstructures and the common laws governing the development of social endeavors in China today. As methodology, it provides the basis for adopting and pursuing sound policies and lines and a reliable guarantee for pursuing the ideological line of seeking truth from facts. Mao Zedong pointed out during China's New-Democratic Revolution that "only when one correctly understands the nature of Chinese society, can he correctly understand the target of China's revolution and the task, motive force, nature, future and transition of this revolution."⁶ Like-

wise, a correct understanding of the fact that China is in the primary stage of socialism leads to a correct understanding of the task, motive force, future and goal of building socialism with Chinese characteristics and makes it possible to adopt proper implementing steps. In fact, this theory has guided our Party's adoption of basic lines and policies covering China's development in the primary stage of socialism. A keen appreciation of the fact that China is still in the primary stage of socialism will ensure implementation of the Party's lines and policies governing social development in this stage.

In advancing the theory of the primary stage of socialism, Deng Xiaoping did not mean to find excuse for the low productivity in China today, nor did he mean to retreat from the goal of building socialism in China. The importance of this theory lies in that identification of the current national conditions in China frees people's minds from past ideological strait-jackets and enables them to stand firmly on the ground of reality. In other words, this theory enables people, while seeing what has been accomplished in building socialism in China, to have a clear recognition that China is still backward economically, politically and culturally, since it is in the primary stage of socialism, and thus heightens their sense of historical responsibility to advance China's cause of socialism.

In short, to build socialism with Chinese characteristics, it is critical to have a clear recognition of the basic fact that China is still in the primary stage of socialism. Failing to realize this, one cannot find a correct way of building socialism with Chinese characteristics. Deng Xiaoping's theory of the primary stage of socialism, which offers a sound assessment of China's national conditions, represents a major contribution to the advancement of Marxist theory on social development and building socialism and Mao Zedong's theory on the transition from the new-democratic stage to socialism in China's revolution. It has blazed a new trail of creatively building socialism with Chinese characteristics by proceeding from China's realities without copying foreign models or sticking to abstract principles or preconceived dogmas.

III. The Socialist Market Economy: A Breakthrough in the Theory of Scientific Socialism

During his meeting with Gibney, deputy editor-in-chief of the *Encyclopedia Britannica* of the United States in 1979, Deng Xiaoping observed that "it is certainly not right to view a market economy as something belonging to capitalist society only. Why can't a market economy be practiced under socialism? The market economy emerged in feudal society. It can be introduced under socialism."⁷ In answering a question about the relationship between socialism and a market economy during a meeting with an American business delegation in 1985, Deng Xiaoping said that "the important thing is what to do to speed up the growth of social productivity." "We have practiced a planned economy. Though it is a good thing, experience over the years has shown that to have a planned economy alone will hinder the growth of productivity. The planned economy should be integrated with a market economy. Thus, we can further expand the productive forces."⁸ What has happened over the past more than a decade fully testifies to the soundness of Deng Xiaoping's concept of a socialist market economy. Identifying the fundamental course for developing a socialist economy with Chinese characteristics, it represents a new development and leap in the theory of scientific socialism.

Marx and Engels accomplished the transition from utopian socialism to scientific socialism. Yet their understanding of socialism was still influenced by utopian socialism in certain ways. For example, out of opposition to vices created by capitalist commodity production, they envisaged a socialist society without commodities, currency and market. In such a society a laborer would receive labor coupons of different value according to how much labor he has performed and would receive a corresponding amount of daily necessities at the designated warehouse against presentation of the labor coupons. In the view of Marx and Engels, commodities, currency and the market economy are part of private ownership and cannot be permitted under socialist public ownership. Hence they held

that "once society takes possession of the means of production, commodity production will be eliminated."⁹

Marx and Engels believed that socialism and the market economy were mutually exclusive, which produced a profound impact and which was for a long period of time taken as a basic and unchallenged tenet of Marxism. Seeing the grave consequences caused by the abolition of commodity exchange and the market economy during the period of military communism following the October Revolution, Lenin affirmed the positive role played by the market economy during the transition from capitalism to socialism. He pointed out that the proletariat should take a correct attitude towards the market economy after winning political power. Thus, he made a major theoretical breakthrough. Yet, Lenin dealt only with the need to have a market economy during the transition from capitalism to socialism. He did not and could not foresee the role of the market economy after the relations of socialist production were basically established.

Stalin saw that as two different forms of public ownership existed, it was inevitable that commodity production and the market economy would exist in certain fields under socialism. Yet he confined commodity exchange to articles of daily consumption and refused to recognize that the law of value regulates production and that means of production are commodities that can be traded on the market. This stifled the vitality of the economic development of the socialist countries and prevented the superiority of socialism from being fully released.

The economic reform started in the socialist countries in the 1950s fundamentally challenged the traditional view that socialism and the market economy were mutually exclusive, but the relationship between socialism and the market economy remained unresolved owing to the complicated circumstances of the reform and the multitude of problems encountered. It was Deng Xiaoping who, through advancing the theory of building socialism with Chinese characteristics and through exploration, properly defined the relationship between socialism and the market economy and did away with the utopian elements of traditional socialism, thus accomplishing a major leap in the

theory of scientific socialism.

The market economy is a social and economic form developed under market conditions through division of labor. It came into being in society in its several forms after the emergence of the division of labor and has been closely associated with the ownership of the prevailing society. Yet, rather than a social and economic model peculiar to a particular economic system, the market economy is neutral in nature and quite adaptable. It can be adopted under both private ownership of means of production and public and collective ownership of means of production. That is to say, the market economy and socialism are not mutually exclusive. They can exist side by side under socialism and become a socialist market economy. Socialist economy is not just planned economy that excludes market mechanism, nor is it just market economy that excludes a planning mechanism. The planned economy and market economy are two different aspects of the socialist economy. The planned economy reflects the need for the economy to operate in an organized way in accordance with objective changes, whereas the market economy reflects the need for the commodity producing entities that are relatively independent to operate through exchange of value. Both cover the entire society. Together, they form an integral whole of the socialist economy. That is to say, whether to have more planning or to have more market is not a fundamental difference between socialism and capitalism. The planned economy is not necessarily socialist, as planning exists under capitalism. The market economy is not necessarily capitalist, as there is also a market under socialism. In short, both planning and market are economic means. Socialism aims to free and develop the productive forces, eliminate exploitation and class polarization and eventually achieve common prosperity. As for the market, planning, public ownership and the principle of to each according to his work, they are just means for accomplishing this grand goal. Public ownership should not be sought for its own sake. For example, the percentage of public ownership in a shareholding company in Shenzhen is around 51 percent. The proper percentage depends on

the economic performance of the particular enterprise in question. Owing to the dispersing of shares in capitalist countries in recent years, a big capitalist group owns only 20 to 30 percent of the shares of a company. In some cases the percentage has dropped to 5. The Rockefeller family controlled only 13 percent of the shares of Mobil Oil Company in 1964, but the family was able to control over US\$ 300 billion of capital with only US\$ 3.6 billion of capital, which was regarded by Samuelson as "effective control." There is an example in the other extreme. A "grassroots-level organization of communism" existed for four months in Xushui County, Hebei Province, in 1958 and, was visited by 930 foreign guests from over 40 countries. After hearing how communism was practiced in Xushui County, Khrushchev commented that so-called Chinese-style communism was simply sharing thin soup from a big pot, whereas the goal of communism for the Soviet Union was to have potatoes and beef. Some people believed that common prosperity was within reach. All the private property in the county was turned over to the commune, including carts, draft animals, farm tools, houses, trees, poultry and pigs. A wage system was introduced under which peasants and middle school students each received five yuan per month, primary school students and aged people received four yuan per month, workers, ten to 12 yuan per month, cadres, 12 yuan and county-level cadres, 18 yuan per month. Free medical service was offered. People complained that they had only a pair of chopsticks and a bowl left; everything else had been turned over to the commune.¹⁰ History, however, has shown that a poor society with a high degree of public ownership has nothing to do with socialism. It distorts the noble ideal of communism and causes widespread egalitarianism. It is not enough just to pursue the principle of to each according to his work under socialism. Fair distribution of income is also important. Disabled people should also be taken good care of. It is therefore necessary to set up a social security system. Deng Xiaoping pointed out that "socialism should ensure both economic growth and common prosperity."¹¹ This defines socialism from an economic perspective. Correctly un-

derstanding this insight of Deng Xiaoping's on the nature of socialism will help people better appreciate his thought on the socialist market economy and on building socialism with Chinese characteristics.

Deng Xiaoping's thought on the socialist market economy will greatly release China's social productivity. Still in the primary stage of socialism and with a backward economy, China has a long way to go to catch up with the developed countries and to meet people's growing demand for a better material and cultural life. The only way to accomplish this is to vigorously develop the socialist market economy. The market economy and commodity economy provide an effective way for stimulating economic growth in certain stages of human development. Full growth of the market economy is the prerequisite for developing large-scale modernized production. As things now stand in China, only by vigorously developing the market economy can China free itself from the fetters of the natural economy and can its peasants learn to act in keeping with the law of market and value, so that they can meet the need for daily necessities and lead a well-off life. Accelerated development of the market economy will enable enterprises to free themselves from the straitjacket of the old economic system and become independent commodity producers; it will encourage competition and upgrade China's science, technology and management. The aim of the ongoing economic reform in China is to establish a model of a socialist market economy. Deng Xiaoping's thought on developing a socialist market economy has pointed out the correct way for China's economic reform.

IV. Multimodel Development: Deng Xiaoping's Thought on Choosing the Socialist Road in China

Since the founding of scientific socialism one and a half centuries ago, people have gone through a process of trial and error in understanding the proper model of socialism.

At the very beginning of the *Communist Manifesto* Marx and Engels wrote that "the application of the basic principles of

scientific socialism is determined by the prevailing historical conditions.”¹² Lenin also observed that “mankind’s march on the path from imperialism today to socialism tomorrow invariably takes diversified forms. All nations will eventually go socialist, but each nation will go in a way different from others. Each nation will have its peculiar features in the forms of democracy and proletarian dictatorship adopted and with regard to the speed of carrying out socialist transformation of the various aspects of social life.”¹³ In his article entitled “On the Revolution in My Country,” written in 1923, Lenin regarded Russia as falling between the developed countries in the West and the backward countries in the Orient and stressed that the Russian revolution should follow its own road. He pointed out that “in those Oriental countries that have huge populations and extremely complicated social conditions the revolution to occur will undoubtedly have features different from those of Russia.”¹⁴ Obviously, in the views of Marx, Engels and Lenin, all nations and countries will eventually embark on the socialist path, but owing to their specific and unique historical conditions, they will certainly display special features in pursuing the course guided by the same general law. That is to say, in pursuing socialism, each country should proceed from its actual national conditions and choose a suitable model.

Yet, after the death of Lenin, the Soviet Union, being the first socialist country in the world, long held its own model as the only one to be followed in carrying out socialist revolution and economic development. This was particularly so after World War II when the Soviet Union demanded that the other socialist countries follow its model. Those that refused to comply were labeled as “nationalist and revisionist.” The Soviet model was then taken as applicable to all the other countries.

Between 1949, when New China was founded, and 1956 China basically copied the Soviet model, owing to the prevailing international conditions and lack of experience. Later the socialist countries in eastern Europe and even the Soviet Union itself began to see the flaws in such a model and started reform. China, however, was increasingly influenced by “Left” thinking.

Not realizing the drawbacks of the Soviet model and the need to explore more models for socialist economic development, China regarded countries that carried out reform as practicing "revisionism" and "capitalist restoration" and deviating from and betraying socialism. It was not until after the Third Plenary Session of the Eleventh Central Committee was held in 1978 that our Party reaffirmed the political line of seeking truth from facts and carried out a soul-searching reappraisal of its past. It came to see the need to explore a path to socialist modernization suited to China's conditions and began the pursuit of multimodel socialist development. As observed by Deng Xiaoping, "In carrying out the modernization program, we must proceed from China's realities. We must learn from and draw on the experience of other countries in both revolution and economic development. However, mechanically copying the experience and model of other countries will never work. We have had our full share of lessons in this respect."¹⁵ This indicates that Deng Xiaoping's thought on building socialism with Chinese characteristics is based on the recognition that there is more than one model to pursue in building socialism.

The pursuit of multimodel development in building socialism gives expression to the basic principle of dialectic materialism of "one divided into many" and "many combined into one" regarding a system. First of all, the special feature of a system cannot exist in separation from its general feature. All nations and countries must follow the same general direction in pursuing socialism; namely, they should adhere to the basic theory and orientation of socialism. If this general direction is neglected or lost, the core of socialism is lost. Precisely because of this our Party has repeatedly stressed the need to adhere to the Four Cardinal Principles in carrying out the socialist modernization program, and under no circumstances should we deviate from this basic principle governing nation building. Second, the general nature and special nature of a system are mutually inclusive. The general nature represents the common elements in the special aspects of the same system. Obviously it cannot fully reflect the special features of those individual aspects.

While scientific socialism as a theory reveals the objective laws of social development governing the transition from capitalism to socialism, it can identify only the general direction for all countries to pursue socialism rather than offer specific steps to be taken in the course of building socialism. As countries vary in actual conditions, they likewise necessarily vary in the mode adopted for socialism. There are bound to be multimodels rather than a single mode. This is how generality is composed of various specific aspects. This is particularly true of China, an Oriental country with an ancient civilization. The very fact that the country is large in area but backward economically and is building socialism on the ruins of the semifuedal and semi-colonial period determines that we cannot mechanically follow Marx and Engels' blueprint on building socialism on the basis of fully developed capitalism and copy the model of building socialism chosen by other countries in light of their concrete national conditions. Rather, we must apply the basic principles of scientific socialism and explore through practice and in light of China's specific conditions a model of building socialism that both meets the general requirements of socialism and carries Chinese characteristics.

Just as all countries and nations need to choose different models for socialist development in light of their respective concrete conditions, the multimodel choice is also important in the socialist development in different regions and fields in China, as conditions vary from region to region, province to province, county to county and sector to sector. The general policies adopted by the Party with the overall situation in mind cannot possibly address all the specific aspects of local development. Thus it is important that the local regions and various sectors, while adhering to the general guidelines of the Party, explore specific steps and models suited to local conditions. It won't do to impose a rigid single model across the board on different regions and sectors in China. For example, with regard to relations of production, it is the basic requirement of socialism that the ownership of means of production be duly socialized along with socialized production and that the principle of

to each according to his work be practiced. However, the realities in China, which is still in the primary stage of socialism, are that "800 million of the more than one billion population are rural. Farming is still conducted by hand tools. A number of modernized industries exist side by side with ancient industries that are several decades or even 100 years behind technically. Some regions are economically advanced, while other, vast regions are still undeveloped and plagued by poverty. While China has reached advanced world levels in some fields of science and technology, the general level of scientific and technological development of the country is low. Close to one fourth of China's population remains illiterate or semi-illiterate."¹⁶ Therefore, China should not adopt one single model for relations of production. Rather, it should encourage multiownership under socialism and adhere to the principle of to each according to his work, supplemented by other forms of income distribution. Individual economy, private economy, foreign-invested enterprises, joint ventures and other economic forms should be properly developed to supplement the socialist economy of public ownership. Within the socialist public ownership multimodels should be tried out. In addition to improving and developing ownership by all the people and collective ownership, two major forms of public ownership, new forms of socialist public ownership should actively be explored.

**V. Persist in the Leadership of the Communist Party,
Bring Out the Full Potential of China
as a Large Country, Carry Forward
China's Traditional Culture and
Take Up the Challenge of Global Modernization
to Make China Powerful and Strong**

In 1949 reviewing the historical experience of the Chinese revolution, Mao Zedong declared: "Take the road of the Russians: This is our conclusion." "The Communist Party of the Soviet Union is our best teacher. We must learn from them."¹⁷ Deng Xiaoping summarized the experience China had gained,

both positive and negative, in the socialist revolution and economic development since the founding of New China in his opening address at the Twelfth National Congress of the Chinese Communist Party in 1982. He pointed out that "to integrate the universal truth of Marxism with China's concrete realities and blaze our own way and build socialism with Chinese characteristics—this is the conclusion we have arrived at on the basis of summarizing experience over a long historical period."¹⁸ From "taking the road of the Russians" to "blazing our own way" represents a major leap in the thinking and practices of the Chinese Communists regarding socialist development. The former abandons the capitalist road and chooses socialism as the general orientation. The latter makes it possible to adopt a model of building socialism with Chinese characteristics in light of China's concrete conditions. This is the underlying theme running through Deng Xiaoping's thought on building socialism with Chinese characteristics.

Socialism with Chinese characteristics finds rich and concrete expression in political, economic, cultural and other aspects. "Chinese characteristics" do not necessarily have to be something peculiar to China. All that has proved workable in other countries and is in keeping with China's conditions may be introduced, adopted and turned into something with "Chinese characteristics." With 40 years of historical experience in the socialist revolution and economic development and particularly with the valuable experience gained in the past decade of reform and the modernization drive, the Chinese people are confident to take up the challenge of global modernization, advance on the road of building socialism with Chinese characteristics and turn China into a powerful and modernized country with its due seat in the international community.

Our strength is derived from the following three major sources:

First, adhere to the leadership of the Chinese Communist Party. The history of the international communist movement has shown that without proletarian parties there could not have been the international communist movement. The history of

contemporary Chinese revolution also shows that without the Chinese Communist Party there would not be the socialist new China today. As rightly pointed out by Lenin, "the proletarian dictatorship is the tenacious struggle carried out against the forces and tradition of the old society.... Without a party that is steeled in the struggle, without a party that has the full trust of the entire class that it represents, without a party that is good at understanding the mentality of the masses and influencing them, it is impossible to smoothly carry out such struggle."¹⁹ Similarly, to build socialism with Chinese characteristics, we must adhere to the leadership of the Chinese Communist Party. This is the choice of both history and people. It is the fundamental guarantee for continued victory in the great cause of building socialism with Chinese characteristics. In contemporary China only the Chinese Communist Party maintains the closest contacts with the people, as Lenin said, and is capable of rallying the entire Chinese nation around it. In the history of the international communist movement no communist party in any other country has the kind of ties of blood and flesh that the Chinese Communist Party has with the people and the high prestige it enjoys among them. Particularly since the Third Plenary Session of the Eleventh Central Committee in 1978 the Party has won greater respect from and forged closer bonds with the Chinese people for putting forward policies that meet people's interests and for making great progress in the opening-up and modernization program. "No party is infallible in its leadership. Hence, the Party must give serious consideration to the issue of how to forge closer ties with the people and exercise sound and effective leadership. But this must not be taken as an excuse for weakening and abolishing the leadership of the Party. While it has made many mistakes, our Party has nonetheless each time taken steps to correct these mistakes on its own."²⁰ There is every reason to believe that along with progress in the reform of separating the functions of the Party from those of the government and with improvement in Party morale, ties between the Party and people will be further intensified. Thus, to adhere to the leadership of the Party will increase-

ingly remain the most important source of political guarantee for ensuring continued success in building socialism with Chinese characteristics.

Second, bring out the full potential of China as a big country. Being a developing country, China is still low in productivity, with its per capita GNP and national income below those of many countries in the world. Thus, to build socialism with Chinese characteristics is a most arduous task for the country. However, China has an ancient civilization. Its land area accounts for one fifteenth of the global total and it has one fifth of the world's population. Thanks to progress in over four decades of socialist economic development and particularly in the opening up and modernization drive in the past decade and more, China now enjoys considerable influence in the world. For instance, it now ranks as a major world producer of key industrial products, with its share of the global output of manufactured goods rising steadily. In particular, China is not faced with the acute ethnic and religious conflicts that plague many other countries. It enjoys great power of ethnic cohesion. This has made it possible for China to pool its human and material resources to carry out major endeavors in building socialism with Chinese characteristics. Richard Poter, an American scholar of global strategic studies, once commented that "if China, through its ongoing economic reform, can maintain in the next 25 to 30 years its impressive 8.1 percent annual growth rate achieved in the 1980s, it will fundamentally change the global security system in the 21st century, with impact that is in no way less important than that caused by the gaining of superpower status by the United States and the Soviet Union in the past three decades."²¹ While this projection may not be accurate, it has nonetheless given expression to the great impact China as a big Oriental country has produced throughout the world. So long as we bring out the full potential of China as a big country, we can certainly ensure smooth progress in the great cause of building socialism with Chinese characteristics.

Third, carry forward the fine cultural tradition of the Chinese nation. With a history of 5,000 years, the Chinese

nation has created a splendid culture. Of the four major civilizations, Greece, Egypt and India have all seen their ancient culture decline owing to invasion by outside forces. Only the Chinese culture has sustained its vitality and regenerating power despite ups and downs over the centuries. Naturally, the Chinese cultural tradition, like any other culture, contains elements both positive and negative. We must be on guard against and do away with the negative elements, such as focusing on agriculture to the neglect of trade, authoritarianism, paternalism, rigid hierarchy, the patriarch system, the doctrine of the mean, personality cult, etc., and overcome their adverse impact on life today. These negative elements of traditional Chinese culture should not be allowed to hinder our endeavor to build socialism with Chinese characteristics. As to the cream of traditional Chinese culture, such as hard work and simple living, unyielding pursuit in life, tolerance of others and a seeking of harmony in the community, dedication to a worthy cause, trustworthiness, patriotism and an all-embracing absorption of ideas, it should be inherited and enriched, as it is highly relevant in providing needed cultural nourishment in our pursuit of building socialism with Chinese characteristics. The fine Chinese cultural heritage, renowned for its unparalleled vitality and sustaining power, will ensure the dynamic growth of socialism with Chinese characteristics. Socialism with Chinese characteristics integrates the cream of both traditional Chinese culture and foreign cultures and further enhances it, thus turning itself into a modern and new type of Chinese culture. It has ushered Chinese culture into a new stage of development with a splendid future ahead.

Upholding the leadership of the Communist Party of China, bringing out the full potential of China as a big country and carrying forward the fine cultural heritage of the Chinese nation will ensure steady progress in building socialism with Chinese characteristics. By doing so, the Chinese nation can surely meet the challenge of world modernization, occupy its due seat among the global powers and contribute its share to the cause of world socialism and human civilization.

VI. Be Eager to Explore New Ways: A Basic Approach in Building Socialism with Chinese Characteristics

Just as there is no fixed model for building socialism in general, there is no fixed model for building socialism with Chinese characteristics.

The Party has blazed a new trail in building socialism with Chinese characteristics since the Third Plenary Session of its Eleventh Central Committee, as shown in the new initiative undertaken, such as the discussion on confirming practice as the criterion for judging truth, shifting priority to economic development, introduction of the rural household production responsibility system and development of the rural township industry, the separation of rural government functions from the commune and the development of diversified rural economic operations, the setting up of special economic zones and opening China wide to the outside world as well as extending reform from the economic fields to the political fields. None of them has been copied from existing models. Rather, they have all resulted from pooling the wisdom of the people in daily practice. To make new progress in building socialism with Chinese characteristics, China needs to continue to explore new ways through the daily practice of its people.

To explore new ways, one needs to emancipate one's mind and proceed from reality. Deng Xiaoping explained that "what we mean by emancipating the mind is to free ourselves from the fetters of the forces of inertia and subjectivism, study the new situation and resolve new problems as they arise under the guidance of Marxism."²² Only when one has a free mind can one abandon dogma and explore new ways to resolve problems encountered in practice and stay on the right course of building socialism with Chinese characteristics. This cannot possibly be done if one is locked in a rigid way of thinking. With an ossified mind one is prone to follow dogma and unwilling to take initiatives not mentioned in the book or not told by the boss for fear of inviting trouble. All one would do would be to take one's cue from changing conditions and bend with the wind. This

kind of mentality therefore must be resolutely opposed if socialism with Chinese characteristics is to be built at all.

To explore new ways means one should be eager to take risks. There is no ready answer for any new initiative and the road ahead is not smooth sailing. Thus one needs to probe one's way through a process of trial and error. Stressing that the reform is another revolution, Deng Xiaoping said: "In another sense, we are making an experiment,"²³ "a major experiment,"²⁴ "an important experiment"²⁵ and "a great experiment."²⁶ "We are exploring a new way."²⁷ In making experiment, one needs to take risks. With this in mind, Deng Xiaoping said the following during his tour of southern China: "If one does not dare to take risks and do unconventional things and has no drive, one cannot blaze a new trail and can accomplish nothing. No one can promise a 100-percent guarantee and no risk at all for a new initiative undertaken. No one can boast that what one does will be errorproof. I, for one, never think so."²⁸ It is quite obvious that one must be ready to take risks, experiment and explore new ways for any progress to be made in building socialism with Chinese characteristics. However, to experiment and take risks does not mean to act in a reckless manner. One needs to take cautious and measured steps. Taking risks and being cautious should be properly balanced.

Practical results and growth in the productive forces should be taken as the yardstick for judging whether a new way explored is sound or not. The great debate on taking practical results as the yardstick for judging truth paved the way for holding the Third Plenary Session of the Eleventh Central Committee and ushering China into a new era of embarking on the road to socialism with Chinese characteristics. By persisting in this approach, China has since then been able to advance steadily on this path. Thus, only by taking the practical result as the yardstick, can one stay on the right course of building socialism with Chinese characteristics. Deng Xiaoping also stressed that the growth of productive forces should be "taken as the fundamental yardstick for judging whether an endeavor pursued is in the right direction."²⁹ He said, "The fundamental

task in a socialist society is to develop the productive forces. The superiority of socialism is reflected in the fact that it can develop the productive forces at a faster pace than capitalism.³⁰ The emphasis placed on productive forces by Deng Xiaoping represents an important development in his thinking of taking practical results as the criterion. It restores and carries forward the basic view of historical materialism under the new historical conditions and contributes critically to enriching the theory on building socialism with Chinese characteristics.

Building socialism with Chinese characteristics is a dynamic concept. It is an ongoing process. Thus, when we say that Deng Xiaoping's theory on building socialism with Chinese characteristics has formed, we do not mean that we have come to the end of history in terms of theoretical exploration and that there is no need to explore anything new.

Socialism is advancing through practice, so is socialism with Chinese characteristics. Neither remains unchanging. Socialism with Chinese characteristics will further advance and be improved in the process of opening up and pursuing modernization. It is rightly pointed out in the report addressed to the Party's Thirteenth National Congress: "The primary stage of socialism is a long historical stage. We still do not know much about many aspects of the conditions and contradictions of this stage and the law governing its evolution. Many of our policies and theories remain to be tested, revised and further developed through practice."³¹ So long as we persist in the scientific approach of Marxism, draw inspiration from it and are eager to explore new ways and blaze a new trail, "we are confident that we shall advance steadily along the path of building socialism with Chinese characteristics."³²

Notes

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24. *Ibid.*, July 2, 1985.
25. *Ibid.*, Nov. 11, 1985.
26. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, p. 113.
27. Xinhua News Bulletin, July 15, 1985.

28. *Ibid.*, March 20, 1992.
29. *Selected Works of Deng Xiaoping (1975-1982)*, People's Publishing House, 1983, p. 181.
30. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, pp. 52-53.
31. *Advance Along the Road of Socialism with Chinese Characteristics*, People's Publishing House, 1987, p. 61.
32. *Ibid.*, p. 64.

Chapter 6

Take Economic Development as the Central Task and Pursue the Reform and Opening-Up Program While Adhering to the Four Cardinal Principles

Building socialism with Chinese characteristics is the core of Deng Xiaoping Thought. Taking economic development as the central task and pursuing the reform and opening-up program while adhering to the Four Cardinal Principles provides the way for putting into practice Deng Xiaoping's thought on building socialism with Chinese characteristics and ensuring progress in China's modernization drive.

I. “One Central Task and Two Basic Points” Summarizes Deng Xiaoping’s Thought on Nation Building

The Party's Thirteenth National Congress explicitly put forward the basic line for the whole Party to follow in the primary stage of socialism. Its gist was: "Our Party's basic line concerning building socialism with Chinese characteristics in the primary stage of socialism is: Lead and unite all the Chinese people of different ethnic groups, take economic development as the central task, adhere to the Four Cardinal Principles, pursue the reform and opening-up program, rely on our own strength and work hard to turn China into an affluent, democratic and civilized modern socialist country." It is referred to as "one central task and two basic points of departure" for short. While concise, the phrase has rich implications. It both summarizes Deng Xiaoping's thought on nation building, as expressed after the Third Plenary Session of the Eleventh Central Committee, and clearly defines the relationship among econom-

ic development, which is the central task, the reform and opening-up program and adherence to the Four Cardinal Principles, the two basic points of departure.

"One central task" refers to the need to accelerate socialist modernization and the growth of productivity. This is the core of the Party's basic line and the central task facing the whole Party and people of all ethnic groups in China. Deng Xiaoping has repeatedly raised the question: "What is the main task facing us both today and for a fairly long period of time to come? The answer is simple: to modernize China. Whether we can accomplish this goal has a direct bearing on the future of our country and nation. To turn our country into a socialist, modernized China under conditions today, it is imperative that we adhere to Marxism and hold high the great banner of Mao Zedong Thought."¹ "If we deviate from the central task of developing the economy, we shall be in danger of losing the material basis. All other endeavors must subject themselves to this central task and must not stand in its way." No doubt, Deng Xiaoping's thought on taking economic development as the central task has hit the core of the problem that has plagued China for the past 100 years. Only when we have developed the productive forces and turned China into a modernized country, can we ensure that the Chinese nation will not be bullied by others and will be a dignified member of the international community. Otherwise, China will simply be disqualified as a member of the global family. This has been borne out by the history of China in the past 150 years.

Developing the productive forces and accomplishing modernization are arduous and complicated challenges facing China, a backward developing country. We must grasp the central task and proceed from the two basic points of departure in order to meet this grand goal.

One of the two basic points of departure is that we must persist in the reform and opening up in carrying out the central task of developing the economy. Reform and opening up were policies initiated by Deng Xiaoping after the Third Plenary Session of the Eleventh Central Committee. They point the way

for China to become powerful. Without carrying out reform and opening up, China will have no future. Reform and opening up are also prerequisites for a socialist country to develop itself, as they will constantly instill motive force and vitality into the country's drive for socialist economic development. Without reform and opening up, socialism cannot possibly develop itself. Reform and opening up are aimed at accelerating economic development and can play their role only in the course of economic development. Therefore, Deng Xiaoping made the penetrating remark that the way to judge whether reform and opening up worked or not was to see whether they had released and promoted the productive forces, increased the overall strength of a socialist country and made life better for its people.

The other point of departure is the need to adhere to the Four Cardinal Principles, the basic guarantee for carrying out socialist economic development and for nation building. Therefore, adhering to the Four Cardinal Principles is of crucial importance to a socialist country. However, a socialist country must be backed by a good material foundation and economic power in adhering to the Four Cardinal Principles. Poverty is not socialism. Socialism should eliminate poverty. Deng Xiaoping pointed out during his tour of southern China that "in the final analysis, socialism aims to release and develop the productive forces, eliminate exploitation and class polarization and eventually achieve common prosperity."² The superiority of socialism over capitalism lies in that it can develop productivity at a faster pace and provide a better material and cultural life for the people. This truth is self-evident, but we have neglected this most evident logic of socialism despite years of publicity about socialism. Deng Xiaoping, however, was able to reveal the core feature of socialism in concise language. Adherence to the Four Cardinal Principles is not for its own sake. It cannot be separated from the central task of developing the economy. When we grasp the central link of developing social productivity and the economy, we have grasped the very nature of socialism. Therefore, we should, as repeatedly stressed by Deng

Xiaoping, pursue wholeheartedly China's modernization drive. We must fix our minds on it. So long as no massive foreign aggression occurs, we must keep to the central task of economic development.

The two points of departure must center on the main task, and the main task cannot be accomplished without adhering to the two basic points of departure.

Deng Xiaoping stated that "we should achieve modernization of industry, agriculture, national defense, science and technology, but it should be socialist in nature and should be called socialist modernization."³ That is to say, China being a socialist country, the modernization we pursue is socialist modernization and not capitalist modernization or any other modernization. Therefore, economic development must go hand in hand with adherence to the Four Cardinal Principles, for the latter provides the guarantee for reform, opening up and economic development. Only persistent adherence to Marxism, Leninism, Mao Zedong Thought, the leadership of the Communist Party of China, the socialist road and the people's democratic dictatorship will ensure sound economic development along the socialist road with Chinese characteristics. Similarly, economic development would be out of the question without carrying out reform and opening up. With this in mind, Deng Xiaoping said: "To develop the productive forces, it is essential to reform the economic structure." "Reform is the only way out for China, for only reform will lead China onto the path of prosperity." Reform and opening up will release and develop the productive forces and bring into full play people's potential. They enable China to fully absorb and draw on all the technology and management expertise of modernized large-scale production of all the other countries, including the capitalist countries, in order to develop itself. Thus, reform and opening up are essential for China to release and develop its productivity. The two basic points of departure therefore ensure accomplishment of the central task of economic development. In short, one central task and two basic points of departure form an integral whole

that gives full expression to the Party's basic line and Deng Xiaoping's thought on nation building.

One central task and two basic points of departure are indivisible and interact on each other, each playing its due role. None can be dispensed with. It is imperative that we properly handle the relationship among adherence to the Four Cardinal Principles, economic development, reform and opening up in order for the Party's basic line to be fully implemented.

We have often seen that when reform and opening up are stressed, some people tend to neglect the need to build socialism with Chinese characteristics and particularly the socialist orientation of reform and opening up. When adherence to the Four Cardinal Principles is stressed, some people tend to exclude reform and opening up and set one basic point of departure against the other. Deng Xiaoping observed: "Not many people are openly opposed to reform, but when it comes to adopting and implementing policies, some people tend to do things the old way."⁴ The reason is that these people tend to be one-sided in their thinking and approach to work and are unable to integrate theory with practice. If one has his eyes only on reform, opening up and economic development to the neglect and even denial of the Four Cardinal Principles, it will get us nowhere, as so painfully and repeatedly shown by China's modern history. Yet if one sets his mind only on the Four Cardinal Principles and economic development to the exclusion of reform and opening up, China will return to the beaten path of the old system of self-seclusion. It will lose vitality and there will be no hope for China.

In short, one central task and two basic points of departure are three elements of an integral system. One cannot just have one or two elements and exclude others, for that will only cause the whole system to collapse. One central task is the main structure of the whole system, while the two basic points of departure serve the central task. Together, they form Deng Xiaoping's thought on nation building, guiding the building of socialism with Chinese characteristics.

II. Reform and Opening Up—The Only Way to Lead China to Modernization

Reform and opening up are important components of Deng Xiaoping Thought and important aspects of his theory on building socialism with Chinese characteristics. Guided by Marxist historical materialism, dialectic materialism and the general law governing social development and proceeding from China's realities, Deng Xiaoping elaborated the necessity to carry out reform and opening up in order for China to achieve socialist modernization. He has an open and active mind and is far-sighted. As chief architect of China's reform and opening-up endeavor, he has advanced many important views and initiatives on speeding up China's modernization drive.

Deng Xiaoping once said, "It is I who put forward the open economic policy for China." This policy covers both internal opening up and external opening up. The internal opening up is reform in essence. Why was it necessary to put forward this policy? Deng Xiaoping answered the question from the perspective of the law governing the development of human society, historical lessons and China's realities.

"China cannot develop itself in isolation from the world." This is the foundation of Deng Xiaoping's thinking on reform and opening up. Deng Xiaoping pointed out that "the world today is an open world. No country can develop itself in isolation.... A country will go nowhere if it does not open itself to the outside world and intensify international contacts."⁵ We must respect the law governing social development and open the country to the outside world. Deng Xiaoping observed that "every nation and every country needs to learn from the strong points and advanced technologies of other countries and nations. It is not just because we are backward in science and technology today that we need to learn from foreign countries. We would still need to draw on the strong points of others even if we had reached advanced world levels in science and technology."⁶ In the world today no country that has achieved fast economic development, irrespective of its social system, has

remained closed to the outside world. The more economically developed a country is, the more extensive its international contacts and the more able it is to attract foreign investment, technology and goods and benefit from them. The experience of other countries has shown that opening up is an inevitable historical trend. "China cannot develop itself in separation from the world." This is the inevitable conclusion.

After reviewing China's historical experience in the past several hundred years, Deng Xiaoping explicitly identified self-seclusion as a major cause of China's stagnation and backwardness over a long historical period. He realized it would be impossible to carry out economic development with doors closed to the outside world. "We have had our full share of bitter fruit, just as our ancestors had their share of bitter fruit. The Ming Dynasty was open under the reign of Emperor Chengzu, who sent Zheng He on a voyage to the western oceans with a big fleet. Later the Ming Dynasty declined and China was subjected to invasion. To be fair, the Qing Dynasty was not quite closed in its early days under the reign of Emperors Kangxi and Qianlong. However, it was closed for about 200 years, starting from Emperor Kangxi's reign, which reduced China to backwardness, poverty and ignorance. After the founding of New China our country was open during the First Five-Year Plan period, but it was open only to the Soviet Union and the eastern European countries. After that, it closed its door to the outside world and development stagnated as a result."⁷ China's history has shown that closing its door to the outside world cannot possibly lead to progress in economic development. On the contrary, it can result only in backwardness and stagnation. Therefore, China must persist in the reform and opening-up program in order to turn itself into a developed and powerful country.

Another implication of Deng Xiaoping's concept on opening up is the need to carry out reform. Internal opening up means reform. To carry out reform is a historical choice and a prerequisite for raising productivity and achieving modernization. Deng Xiaoping's views on reform and his views on taking

economic development as the central task are closely connected with each other and point the way for China to rapidly raise productivity and achieve modernization.

Following the socialist transformation of the ownership of means of production, China continued in the new period of socialist economic development to pursue the economic and political steps effective during the previous period and copied the theories and practices of the Soviet Union. Both commodity production and private economy were opposed. As a result, a single ownership structure, a rigid command economy and a corresponding political structure of overconcentration of power dominated China. All this led to an economy that lacked vitality, a political system that lacked standard governing rules, egalitarian practices in income distribution and lifelong jobs in management posts that prevented talented people from being promoted. Consequently, the growth of social productive forces and the improvement of people's material and cultural life were hindered. If these remained unchanged, socialist modernization would be out of the question. How to change this state of affairs? Deng Xiaoping's answer to this critical question is clear-cut: reform. Without carrying out reform, there is no hope for achieving socialist modernization in China. He pointed out that "if we do not introduce reform now, our cause of modernization and socialism will be buried."⁸ "I am for reform. No reform, no way out for China. Experience over the past decades has shown that the old practices did not work. In the past we mechanically copied the model of other countries, which only served to hinder the growth of productivity, lead to ossified thinking and stifle the initiative of people at grassroots level."⁹ After the Third Plenary Session of the Eleventh Central Committee, Deng Xiaoping repeatedly stressed the need to carry out all-round reform in economic, political, cultural, scientific, technological and educational fields. With the goal of achieving socialist modernization in mind, Deng Xiaoping expounded in a systematic and profound way the nature, importance and goal of all-round reform and the principles guiding reform.

First, on the nature and significance of reform, Deng

Xiaoping pointed out that "reform is a revolution." This means that China's reform is not just to introduce some new policies in certain areas, but to carry out all-round and profound reform of the existing system. It aims to "fundamentally change the economic system that hinders the growth of productivity" and the political structure and build a socialist economic, political, scientific, technological and cultural system with Chinese characteristics and full of vitality. Therefore, reform is the self-improvement of the socialist system, as stressed by Deng Xiaoping. That is to say, reform is not meant to be a revolution for changing the basic socialist nature of our system, nor is it a "cultural revolution." It is a revolution aimed at improving the socialist system and freeing and developing the productive forces.

Second, on the goal of reform, what Deng Xiaoping had in mind was to build through reform a dynamic socialist market economy meeting the need of modernized production and a political, scientific, technological, educational and cultural system in keeping with it. This is a major contribution by Deng Xiaoping to the enrichment of Marxism and Leninism. During his meeting with Mr. Gibney, deputy editor-in-chief of the *Encyclopedia Britannica* of the United States on November 26, 1979, Deng Xiaoping said that it was certainly not right to regard the market economy as belonging to capitalism only. Why can't socialism practice a market economy? The market economy emerged in feudal society. Socialism can practice a market economy. Whether to have more planning or more market is not a fundamental difference between socialism and capitalism. Socialism should not be equated with a planned economy. There is planning under capitalism, too. Similarly, the market economy should not be equated with capitalism, as there is market under socialism also. Deng Xiaoping repeatedly stressed that the only yardstick in judging success of reform was whether it raised productivity. Thus, he cleared up any misunderstanding about the relationship among taking economic development as the central task, carrying out reform and opening up and persisting in the Four Cardinal Principles.

III. Adhere to the Four Cardinal Principles and Ensure the Smooth Functioning of Chinese Society

Political stability and unity are the ultimate goals sought by all who rule, both in the past and today. Yet there is a rather bizarre theory of "using chaos to create order" left from feudal China that played a role that cannot be ignored in the long evolution of the Chinese nation. For instance, it was advocated during the "cultural revolution" that "great chaos under heaven will lead to great order," which carried such a theory to extremes. Its absurdity is all too evident.

"Stability is above everything else." Deng Xiaoping has always given priority to maintaining state order and stability in the course of socialist modernization and reform and opening up. He has observed on numerous occasions that "the lessons of the 'great cultural revolution' have shown that chaos can cause only retrogression instead of progress. Only order will lead to advance. As things now stand in China, without stability and unity, everything will be out of the question, including democracy and the policy of letting a hundred flowers blossom and a hundred schools of thought contend. We have had enough of chaos in the past ten years. People cannot stand chaos anymore."¹⁰ Therefore, it is critical that people bent on inciting chaos should not be allowed to practice "great democracy" and "a second great cultural revolution." It is absolutely impermissible for people sticking to bourgeois liberalization to stir up spiritual pollution, student unrest and disturbance. "This ill wind should not be allowed to blow." "Nation governing is the top priority, above everything else."¹¹ Deng Xiaoping declared in no uncertain terms in early 1987 that "two things should be made clear: First, China can take only the socialist road. Second, China cannot achieve modernization without a stable political environment.... It is our firm principle that there should be stability, so that we can carry out the modernization program in an orderly way.... All that opposes our taking the socialist road and stands in the way should be done away with.... All factors giving rise to chaos and disturbance in China should

be nipped in the bud."¹² He further pointed out in early 1989 that "it is of overriding importance for China to maintain stability."¹³ This is because only with political stability can we concentrate on economic development, reform and opening up and give play to democracy. Conversely, only by taking economic development as the central task, persisting in reform and opening up and practicing socialist democracy can there be genuine stability. With this in mind, Deng Xiaoping said that "for China to develop, there should be a stable political environment in the first place.... Second, the current policies should be kept unchanged.... One is a stable political environment and the other is a stable policy. We need both."¹⁴ Following the establishment of socialist state power and a basic socialist system, a country can develop only in stability. This is an important conclusion on the development of socialism, arrived at on the basis of reviewing historical lessons, both Chinese and foreign.

The stability of a country and a society hinges on the stability of its political system. How to maintain such stability? Only adherence to the Four Cardinal Principles can ensure the normal functioning of Chinese society. This is what Deng Xiaoping stressed at the same time as focusing on reform and opening up. It is Deng Xiaoping who advanced the Four Cardinal Principles. He reiterated time and again that adherence to the Four Cardinal Principles "is the prerequisite for achieving modernization."¹⁵ If the Four Cardinal Principles are not adhered to, "our society will be chaotic, and there will be no stability and unity. Economic development, reform and revitalizing China will all be nothing but empty talk."¹⁶

Adherence to the Four Cardinal Principles is a component part of Deng Xiaoping's thought on "one central task and two basic points of departure." It was not advanced just with the immediate and specific in mind. It is the foundation for building China, as it fully reflects the law governing the evolution of Chinese society and is not something invented by the Chinese Communists. Therefore, adherence to the Four Cardinal Principles has lasting importance and universal appeal.

First of all, adherence to the Four Cardinal Principles represents a concise summary of the law governing historical development. It is the prerequisite for China to achieve modernization.

Over the past 100 years or so, the Chinese nation has experienced many ups and downs on the road towards modernization. It is by no means accidental that China has embarked upon socialism. In Europe the only obstacle standing in the way of industrialization, namely, modernization, is the feudal system. Yet China as a latecomer faced the dual historical challenge of opposing imperialism and feudalism. Without eradicating feudalism, China could not achieve modernization, and it could not achieve modernization without overthrowing imperialism and winning national independence. These two factors, which may not be quite relevant to each other in human history, were closely linked in China. Not the Qing Dynasty or the national bourgeoisie, represented by Dr. Sun Yat-sen, or the Chiang Kai-shek regime, which was a vassal of imperialism, could modernize China. It was the Communist Party of China that, holding high the banner of the New-Democratic Revolution and uniting the proletariat, the intellectuals, the petty bourgeoisie and the national bourgeoisie to build socialism, succeeded in overthrowing both imperialism and feudalism and laid a solid political foundation for modernizing China.

With the above history in mind, Deng Xiaoping observed: "History has told us that China cannot take the capitalist road. China has no other road to take. Socialism is its only choice. If China abandons socialism, it will be reduced to a semicolonial, semifeudal society, and the Chinese people will not be able to feed and clothe themselves, to say nothing of leading a better-off life."¹⁷

Having been applied in China for 40 years, the Four Cardinal Principles have played a great and effective role in social life that is recognized by all. We have in these 40 years created tremendous productivity, unseen in previous Chinese history. The political and social system established by the Four Cardinal Principles during this historical period and the political and

social order, economic principles and moral ethics upheld by the Four Cardinal Principles have become part of the character of the Chinese nation and the call uniting the Chinese people of various ethnic groups in striving to achieve modernization.

Thus it can be seen that without adhering to the Four Cardinal Principles in China, modernization would be out of the question. As rightly pointed out by Deng Xiaoping, to modernize China, we must adhere to the Four Cardinal Principles, and there should not be the slightest wavering on this fundamental issue. "If any of the Four Cardinal Principles is violated, the entire socialist cause and China's modernization drive will be undermined."¹⁸ It is wishful thinking that China can modernize itself in the Western way without adhering to the Four Cardinal Principles. For China to modernize itself, the question is not whether we should adhere to the Four Cardinal Principles, but rather how to adhere to and develop them.

The global drive for modernization has two outstanding features: One is that the drive for modernization has accelerated. The second is that for various reasons and particularly owing to the fact that "the leadership of some countries, developing ones in particular, has no cohesive power or any strong ideological orientation," these countries have run into continued political disturbances in accelerating modernization, with the result that the drive for modernization has been greatly delayed.

The experience of the developing countries has shown that if no attention is paid to the loss of value and political control caused by the modernization process, a country may face political turmoil. In calling for adherence to the Four Cardinal Principles, Deng Xiaoping has provided the essential guarantee for Chinese society to operate in a normal way and maintain political stability in pursuing reform, opening up and modernization while drawing on the historical lessons of other countries in pursuing modernization. The Four Cardinal Principles represent the values and social norms China has inherited from its profound historical traditions and the process of political and economic progress that forms the legal and political basis on which socialist China exists. They also serve as spiritual pillars

uniting the Chinese people of all ethnic groups. If the Four Cardinal Principles are violated, China cannot pursue reform and opening up in an orderly social environment and its drive for modernization will come to a halt amid social turmoil. China will disintegrate into civil war and fights among warlords, and all hope will be lost for China.

Taking the Four Cardinal Principles as the basic spiritual, moral and political norms governing China's drive for modernization does not deny that the development of a socialist commodity economy may give rise to a trend towards multivalues. What it stresses is that any nation and any sovereign state has an unshakable core value. The conflicts that occur in the course of modernization and cultural integration should not be taken as grounds for rejecting the dominant position of the core value. Rather, they should be taken as conditions for enriching and developing such core values.

IV. The Simultaneous Pursuit of Reform and Opening Up and Adherence to the Four Cardinal Principles Is the Underlying Feature of Deng Xiaoping's Thought on Nation Building

Deng Xiaoping's thought on modernization and persisting in reform and opening up is based on adhering to the Four Cardinal Principles, and the latter is closely linked to the former.

As pointed out above, the two basic points of departure serve the central task of economic development. Persisting in reform and opening up and adhering to the Four Cardinal Principles are complementary and form an integral whole. This is an underlying feature of Deng Xiaoping's thought on nation building. Deng Xiaoping observed that it is imperative to adhere to the Four Cardinal Principles throughout the course of reform and opening up. Together, the two form the basic guidelines for building socialism.

Reform and opening up point the sure way for China to develop productive forces and build socialism. Adherence to the Four Cardinal Principles, which has always been our Party's

guideline, has acquired new dimensions under the new historical circumstances. That both adherence to the Four Cardinal Principles and reform and opening up are taken as the two basic points of departure of our Party's general line shows both the continuity of China's socialist cause and the new historical stage in which China now finds itself. This will ensure a correct political orientation for reform and opening up and enrichment of the Four Cardinal Principles through practice. Appreciation that reform and opening up have added new dimensions to the Four Cardinal Principles is the key to properly handling the relationship between the two and understanding their inherent common nature.

To adhere to socialism under the conditions of reform and opening up, one needs to first of all recognize that reform and opening up promote the self-improvement and self-development of socialism. It is quite evident that socialism does not resist change. Socialism has many models and goes through different stages of development in different countries. It is an evolving social system. The Stalin model and the socialism preached by the Gang of Four, which was just big with all public ownership, but poor, have nothing to do with socialism. Persisting in the development of productive forces in reform and opening up, striving for common prosperity, developing a socialist market economy, following the principle of to each according to his work in income distribution, supplemented by other forms of distribution—this is the self-improvement and development of the socialist system. Exploring new ways should be encouraged in carrying out reform and opening up. Deng Xiaoping has time and again pointed out that while claiming to practice socialism, we have not always been clear about what socialism is all about. Thus, we must face reality, conduct research and survey and blaze new trails through bold experiment, so as to gain a clear understanding of socialism and embark on the sound path of building socialism. As for specific systems, modes and means that reflect progress in human civilization and are conducive to the growth of productivity, we should not label them capitalist and reject them in a sweeping manner, simply because they have

evolved in capitalist society. They should be tried out to see if they promote the growth of social productivity, enhance the overall national strength of a socialist country and make life better for the people. When productivity is released and developed through reform and opening up, the superiority of socialism will be brought into full play, the socialist system will hold greater appeal, bourgeois liberalization will become increasingly less popular and the people will have greater confidence in taking the socialist road.

Adhering to the people's democratic dictatorship under the conditions of reform and opening up means to practice democracy among the people and dictatorship over the enemy. The reform and opening up, particularly the reform of the political system, will enable socialist democracy to be practiced more extensively and on a higher plane. When this is done, people will be better able to exercise their power of masters of their own house and the rule of law will be enhanced. Thus, the social order will be upheld, crimes punished and people's democratic power, initiative and creativity brought into full play. All this will create a social environment in which people enjoy unity and stability and pursue happiness in a relaxed and lively atmosphere. Reform and opening up will improve the socialist political and economic system and enable people to better exercise the power of running their country. The state power of people's democratic dictatorship will be consolidated rather than weakened.

To uphold the leadership of the Party under the conditions of reform and opening up, it is imperative for the Party to give better guidance on the policies and lines to be pursued in carrying out reform and opening up. Without the Communist Party of China, there would not have been New China or progress in the socialist modernization drive and reform and opening up. Therefore, the leadership of the Communist Party is the political guarantee for progress in reform and opening up. It is also important for the Party to constantly improve itself and overcome corruption. Party organizations at all levels should be good at grasping "one central task and two basic

points of departure" and ensure implementation of the Party's basic line. Members of the Communist Party should be required to be pacesetters in carrying out reform and opening up and be worthy members of a ruling party. When we are able to progress in socialist modernization, promote economic growth, make our country strong and offer a better material and cultural life to our people through carrying out reform and opening up, our Party will enjoy growing prestige among the people and win their wholehearted support.

It is imperative to use Marxism, Leninism and Mao Zedong Thought to guide reform and opening up, as they provide the theoretical underpinning for socialist endeavors. In so doing, we should grasp their revolutionary and critical nature and practical approach as well as their basic theory and scientific system. We should not interpret Marxism in a rigid way and stick to some views and conclusions of Marxism and Mao Zedong Thought on specific issues in concrete context. To apply Marxist views and approaches in studying and taking up new challenges that have emerged in China's drive for modernization will instill vitality in reform and opening up under the guidance of sound theory. We should integrate the basic theory of Marxism with China's concrete practice of modernization through emancipating minds and carrying out reform and opening up, draw on progress in science and culture created by humankind, gain a deeper understanding of the laws governing the building of socialism and enrich Marxism, Leninism and Mao Zedong Thought through practice.

As can be seen from the above, the two basic points of departure are unified in nature and form an integral system, not something put together artificially. They reflect the completeness of the theory on socialism with Chinese characteristics, featuring the integration of theory with practice.

"One central task and two basic points of departure" is an open system that interacts with the outside world. Therefore, we should view the Four Cardinal Principles as something that is evolving rather than unchanging. Otherwise, we shall deviate from socialism. Similarly, we should not approach reform and

opening up from a "Left" perspective, discussing whether reform and opening up are socialist or capitalist in nature, out of the context of practice and with no regard to the criterion of productivity. It would be equally wrong to regard reform and opening up as introducing capitalism. Because "Left" thinking is deep rooted, it is the main obstacle in the way of carrying out reform and opening up. That is why Deng Xiaoping said that whereas on the whole we should guard against Right thinking, we should give priority to combating "Left" thinking.

Notes

1. *Selected Works of Deng Xiaoping* (1975-1982), People's Publishing House, 1983, pp. 148-149.
2. Xinhua News Bulletin, March 30, 1992.
3. *Comrade Deng Xiaoping on Reform and Opening up*, People's Publishing House, p. 98.
4. *Important Remarks of Deng Xiaoping*, Central Literature Publishing House, 1987, p. 27.
5. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, p. 105.
6. *Ibid.*
7. *Ibid.*, p. 77.
8. *Selected Works of Deng Xiaoping* (1975-1982), People's Publishing House, 1983, p. 140.
9. *Important Remarks of Deng Xiaoping*, Central Literature Publishing House, 1987, p. 33.
10. *Selected Works of Deng Xiaoping* (1975-1982), People's Publishing House, 1983, p. 216.
11. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, p. 110.
12. *Important Speeches of Deng Xiaoping* (February-July 1987), People's Publishing House, 1987, pp. 10-11.
13. *Since the Thirteenth National Party Congress*, People's Publishing House, 1991, p. 396.
14. *Important Speeches of Deng Xiaoping* (February-July 1987), People's Publishing House, 1987, p. 13.
15. *Selected Works of Deng Xiaoping* (1975-1982), People's Publishing House, 1983, p. 150.
16. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, p. 126.

17. *Important Speeches of Deng Xiaoping (February-July 1987)*, People's Publishing House, 1987, p. 3.
18. *Selected Works of Deng Xiaoping (1975-1982)*, People's Publishing House, 1983, p. 159.

Chapter 7

Carry Out Comprehensive and All-round Reform and Bring About Speedy and Fundamental Transformation of the Structure of China's Social System

The theory of advancing in an all-round way the cause of reform and creating a new social system meeting the need of productivity and China's economic and social development has an important place in Deng Xiaoping Thought. As the chief architect of China's reform, Deng Xiaoping has put forward in a comprehensive and penetrating way brilliant ideas on many important issues, such as the necessity and urgency to reform China's socialist system, the steps and strategies to be taken and adopted for reform and the criterion to be adopted in assessing progress in reform. Deng Xiaoping's thought on reform is derived from practice of reform, which in turn has guided China's reform endeavor. It has increasingly proved its soundness and been enriched through reform. To have a correct understanding of Deng Xiaoping's thinking on reform and adhere to his thinking in practice is of great importance in building socialism with Chinese characteristics.

I. Reform Is a Grand Systems Engineering Project

The socialist reform unfolding in China in the last 20 years of the 20th century is a grand systems engineering project and a great experiment of global importance. Deng Xiaoping fittingly described China's reform as "China's second revolution."¹ He said that the reform "is in essence a revolution"² and that to achieve modernization, "it is imperative to drastically raise

productivity, which is low today, and change the relations of production in many aspects and the superstructure. It is necessary to change the management of industrial and agricultural enterprises and the state management of these enterprises, so that they can meet the need of developing a large and modern economy."³ "Reform is comprehensive in nature, covering not only the economy, but also education and other sectors of social endeavor."⁴ The reform repeatedly stressed by Deng Xiaoping is not just token steps taken to modify some aspects of the social system. Rather, it is to some degree a fundamental change that aims to bring about sweeping transformations in the economic system, which hinders the development of productivity, and establish a socialist economic system responsive to China's conditions and full of vitality. This calls for corresponding and comprehensive changes in the political system of Chinese society. Hence, reform is necessarily a grand systems engineering project of social change.

The view that reform is a grand systems engineering project is advanced in a profound theoretical and practical context. China's reform is the self-improvement of the socialist system, which is designed to introduce general change in the economic, political and other social structures of China.

The goal of reform in China is to thoroughly change the rigid social system that is no longer in step with the growth of socialism and the productive forces and create a dynamic new socialist system. It is therefore necessary to reform not only the excessively centralized economic system, but also the rigid scientific, educational and other social systems. In other words, it is precisely because the old system as a whole can no longer meet the basic needs of socialism and the growth of modernization and productivity that we need to carry out systematic reform of the social structures. At the same time, the reform of social structures is influenced by macroconditions, such as theories, values, perceptions and development. It needs the support of these factors, but also causes them and the society as a whole to change. Thus, reforming the old system and establishing a new system both require systematic effort and are

therefore a great systems engineering project.

Deng Xiaoping's views on the comprehensive reform of Chinese society outline the profound but complicated and arduous nature of reform, its goal and importance, thus providing us with a powerful ideological weapon for correctly understanding and advancing the reform. There is no turning back from the path of reform once it is embarked upon. China's structural reform is not something superficial or covering only partial aspects. It won't do to carry it out in some fields and leave other fields untouched. As the reform is comprehensive in nature, so should be the steps taken, and there should be better coordination among various reform endeavors. There should be proper balance among reform, opening up, management and development. The conflicts, rifts and vacuum that occur in the course of structural transition should be reduced to the minimum. The complexity and magnitude of reform require that we dedicate ourselves to reform and be ready to take risks and blaze new trails and at the same time take a cautious and sustained approach. To build a new socialist system that frees and develops productivity, we should abandon all the theories, concepts, dogmas and practices that have proved wrong or outdated. All those committed to revitalizing China and its socialist cause should take pride in participating in this great endeavor and do all they can to promote it. History will demonstrate that the undertaking of reform, a great systems engineering project, will create a new social structure that ensures China's long-term, stable and coordinated social and economic development, instill new vitality into socialism and boost its growth.

II. Create an Economic System Full of Vitality

Full exposure of the defects of the old economic system and the call for the creation of a new economic system of vitality —this is the core of Deng Xiaoping's thinking on reform. It has the following three major features:

First, it explores ways to reform China's economic system to meet the basic needs of the growth of productive forces and

the modernization drive of China. It is highly pragmatic and has close relevance to China's reality, free from the influence of utopian socialism and "Left" thinking.

As a great patriot and devoted son of the Chinese people, Deng Xiaoping has one thing constantly on his mind: how to accelerate the development of social productivity in China, achieve modernization, ensure a better life for the Chinese people and make China powerful and strong. In both revealing the drawbacks of the old system and mapping out the framework of a new system, he aims to free and develop the productive forces, pursue modernization and meet people's increasing material and cultural needs. He repeatedly calls for carrying out comprehensive economic reform to blaze a new trail for China's modernization drive, as reflected in his scientific assessment of the main contradictions existing in China after smashing the Gang of Four and the advancing of the basic line of grasping one central task and two basic points of departure for the Party during the primary stage of socialism. Thus, Deng Xiaoping's thinking on economic reform is completely different from utopian socialism and "Left" thinking, which refer to modernization and productivity in abstract terms with no regard for realities. Because Deng Xiaoping's thinking on economic reform is rooted in China's realities, it is full of vitality and has a close bearing on China's current conditions.

Another major feature of Deng Xiaoping's thinking on economic reform is his bold exposure and stern criticism of the defects of the traditional economic system of the past few decades and his putting forward the task to reform the traditional system in an all-round way by drawing on the lessons of history in the development of socialism. In the history of the development of socialism it was common for people to blame individual leaders for failures and setbacks, but ignore the defects of the social system, with the implication that the social system was good and no fault should be found with it. Anyone who looked into the traditional economic and political system for factors causing setbacks and mistakes was labeled as anti-Marxist-Leninist and anti-socialist. Such practices, focusing on

the personality of the individual leader without considering structural factors, invariably led to wrong conclusions about past lessons. Thus it was difficult to carry out thorough socialist economic reform and it invariably resulted in grave social crisis.

In contrast, Deng Xiaoping, using the powerful weapons of historical materialism and a bold but cool-headed approach, stresses that the system is the decisive factor giving rise to mistakes and errors. He analyzes and criticizes the defects of the traditional economic and political system in a profound and systematic way, thus arriving at correct conclusions on the lessons of history. Focusing on the system as the cause in analyzing bureaucratism, privileges and patriarchy, he observed that "it is true the mistakes made in the past, as we have seen, had something to do with the ways of thinking and personal behavior of some leaders. However, the organizational and work system was a more important cause. If we have a sound organization and work system, the bad elements will not have their way. If such a system, however, is flawed, good people will not be able to do good things and can even become bad people.... While not denying individual responsibility, the leadership and organizational system are of fundamental importance. Whether such a system is sound or not has a close bearing on whether the Party and state will change color. It therefore deserves the critical attention of the whole Party."⁵ He draws our attention to the need to carry out profound social structural reform to eliminate social problems on the basis of cool-headed analysis. Without giving priority to social structure, one cannot appreciate the importance of reforming the economic system. Thus, tracing a cause in the social system instead of just holding individual leaders accountable represents a major turning point in the development of socialism, which has paved the way for introducing all-round reform of the social system.

Taking such an approach, Deng Xiaoping analyzed in an all-round and critical way the flaws of China's economic system established after the founding of New China and the Soviet model of a socialist system and pointed out the need and importance to carry out all-round economic reform. He ob-

served: "Economic reform is the only way to develop the productive forces."⁶ "I am for reform, for without it there will be no hope for us. The old practices have proved over the past several decades unworkable. We copied the model of other countries in the past, which, however, only served to hinder the development of productivity, lead to ossified thinking and dampen the initiative of the people and grassroots organizations."⁷ "If we do not carry out reform now, our cause of modernization and socialism will be buried."⁸ "If we turned back, where would we be headed? We would only be returning to backwardness and poverty."⁹ While much progress was made in China in the past four decades, since the founding of the People's Republic, the superiority of socialism was not brought into full play as it should have been. In addition to historical, political and ideological causes, as far as the economy was concerned, an important cause was that a rigid economic model was set up that was incompatible with the growth of social productive forces. Under such a model, there was lack of division of labor between the government and enterprises. Barriers existed between sectors and regions. There was excessive government control over enterprises, and the role of commodity production, the law of value and the market were neglected. Egalitarianism prevailed in income distribution. This system stifled employee initiative and the vitality of the socialist economy. Hence, it had to be reformed in a fundamental way. Sticking to or returning to the beaten track can only lead one into a blind alley, whereas reform and blazing a new trail can open new grounds. Deng Xiaoping's thorough criticism of the old system greatly freed people's minds, cut the way of retreat and led the Chinese people onto the road of reform.

Setting up a new economic system full of vitality is another aspect of Deng Xiaoping's thinking on economic reform. Through practice over a long period of time and pooling the wisdom of the whole Party and all the people in China, Deng Xiaoping and his comrades-in-arms have shaped the framework of this new system.

Highly comprehensive, Deng Xiaoping's thinking on the

new economic system mainly covers the following:

First, re-shape the microeconomic entities in accordance with the need for commodity producers to operate on an independent basis. This included the abolition in rural areas of the people's communes, which were large and publicly owned, introduction of the household contract production responsibility system, granting peasants autonomy in farming, separation of government functions from those of enterprises in urban areas, decentralization of power, introduction of the enterprise contract management system and the reform of enterprises' operational mechanism in a comprehensive way, so as to turn enterprises into independent commodity producers and traders. How to instill vigor into microeconomic entities and bring employee initiative into full play are key issues that Deng Xiaoping has constantly on his mind. Reforming the economic system by increasing the vigor of microeconomic entities and releasing employee initiative has proved essential in carrying out the reform. Excessive government control and lack of vitality on the part of microeconomic entities and employees have always been a major defect of the traditional economic system. Only when this issue is addressed, can there be a sound micro-foundation for the vigorous development of a new socialist economic system and will it be possible to set up a sound macro-regulatory system and free economic entities and people from dependence on the government. This will socialize production and make it independent, producing a far-reaching impact on social development.

Second, set up an ownership structure in which the public sector serves as the mainstay, supplemented by diversified economic ownership and a mode of income distribution based on the principle of to each according to his work, supplemented by other forms of income distribution, in light of the need of the development of production. This will ensure coordinated economic growth by bringing into full play the combined superiority of all economic means. The level of social productivity is extremely unbalanced in China, with the interaction of different types of productive forces at different levels forming a complex

system and giving rise to different social demands. This will not change for a long time to come. Such being the case, it is totally unrealistic to try to raise the productive forces just by a mono-mode of economic means. Neither large-scale public ownership nor total privatization will do. The best way is, in keeping with the basic requirement of the productive forces, to fully tap the advantages of various economic forms and means through competition and limit their defects, so as to set up a mixed economic system with public ownership serving as the mainstay and with an income distribution system based on the principle of to each according to his work. Deng Xiaoping stated that "public ownership should be the mainstay and there should be common prosperity. This is the fundamental socialist principle that we must adhere to."¹⁰ The principle of to each according to his work provides the basis for achieving common prosperity. An economy with public ownership as the mainstay rejects both the view of having a non-public economy only and the traditional view that under socialism there can only be public ownership. It necessarily calls for the appropriate growth of the individual economy, private economy and foreign-invested economy. Diversified ownership will enhance competition and the vitality of the public economy. From a theoretical perspective, the existence and growth of diversified ownership within a certain range is indispensable for the sound growth of the public economy. Therefore, the growth of diversified ownership should not be viewed as just a stop-gap measure. Taking public ownership as the economic mainstay does not mean that state ownership should be the mainstay. Public ownership must seek a better way, including a shareholding system, to accelerate its growth. Deng Xiaoping is opposed to labeling the shareholding system as capitalist and favors carrying out a shareholding experiment of public ownership. Adherence to the principle of to each according to his work has two implications: Opposing egalitarianism and opposing privileges and preventing a polarization of income. This principle acknowledges a reasonable difference in income distribution. Common prosperity does not mean simultaneous prosperity. It aims for some people to get rich first

through labor and lead others onto the road of prosperity. In keeping with diversified ownership, the principle of to each according to his work does not exclude lawful non-labor income. In short, while ensuring the role of the principle of to each according to his work and other forms of income distribution in stimulating economic growth, it is necessary to prevent a huge gap between rich and poor, polarization in income distribution and violent social clash. Maintaining vibrant and sustained economic growth through balanced coordination is the goal of setting up a mixed ownership structure with public ownership serving as the mainstay, supplemented by other forms of ownership.

Third, introduce a mechanism that integrates the functions of planning with that of the market and a macro-regulatory system. It is the view of Deng Xiaoping that a market economy is not confined to capitalism, but can also be practiced under socialism. Planning and market should go hand in hand. To him, both planning and market are just means for developing the economy and the productive forces and not criteria for differentiating between socialism and capitalism. So long as they promote growth of the economy and the productive forces, these means should be brought into full play. Deng Xiaoping's views on the nature of planning and market and their interaction represent a breakthrough in the conventional view, which takes the planned economy as the basic nature of the socialist system, and lay a foundation for reforming the macroeconomic system and particularly its functioning and regulatory mechanism. Our task is to follow Deng Xiaoping's guidance, actively explore ways of integrating planning with market and create an economic functioning mechanism and regulatory mechanism for optimizing resource allocation.

In addition, Deng Xiaoping points out the need to reform the scientific and educational system as a way of promoting economic reform. The core of his thinking on educational and scientific reform is to train a large contingent of professionals who meet the need of modernization and create a macro-environment that values and fully brings out people's initiative

and promotes both scientific and economic development. So long as we unswervingly follow Deng Xiaoping's far-sighted guidance, we can surely create a new and dynamic socialist economic system and boost the growth of the productive forces.

III. Set Up a Socialist Democratic Political System and Accomplish the Political Goal of Ensuring Authority, Efficiency and Creativity

The all-round unfolding of the economic reform necessarily calls for corresponding all-round political reform. "If political reform is not carried out, the growth of productivity and the modernization drive will be hindered." "What is more, it will also obstruct economic reform."¹¹ In 1980 Deng Xiaoping presided over adoption of Reform of the Leadership Structure of the Party and the State, which is the program for political reform. He also made many remarks on the goal of political reform and the steps to be taken before and after the convening of the Thirteenth National Congress of the Communist Party of China in 1987. All these represent the enrichment of Deng Xiaoping's thinking on political reform and point the way for carrying out political reform and developing socialist democracy in China. Deng Xiaoping's repeated emphasis on carrying out political reform marks a new stage in the evolution of his thinking on reform.

Deng Xiaoping's thinking on political reform consists of two inter-related aspects: the theory of socialist democracy, which provides the theoretical underpinning of political reform, and the basic steps to be taken for developing socialist democracy.

The theory of socialist democracy provides the basic guidelines for carrying out political reform, and the goal of carrying out such reform is to develop a democracy that is superior to capitalist democracy. On the basis of reviewing the lessons in the history of development of socialism and taking into account the practical requirement and the general trend in social and economic development, Deng Xiaoping elaborated on the basic

aspects of socialist democracy and developed a theory of democracy with distinctive features by inheriting and enriching the Marxist theory of democracy. His theory of democracy consists of the following basic aspects:

"Without democracy there can be no socialism." This is Deng Xiaoping's basic view on the relationship between democracy and socialism, arrived at on the basis of drawing lessons from lack of democracy in the past. In 1979 he pointed out that "our practice of democracy in the past was quite inadequate. We have made mistakes. We have now thoroughly corrected past mistakes and are taking steps to expand democracy both in the Party and among the people. Without democracy, there cannot be socialism and socialist modernization."¹² In 1980 he further observed that "in carrying out socialist modernization, we should catch up with the developed capitalist countries economically. Politically, we should create a socialist democracy that is superior to capitalist democracy and train more professionals."¹³ Democracy is a basic task of socialist development. Whether a people's democracy is adhered to and developed has a direct bearing on the fate of socialism. The socialist countries are faced with the arduous task of modernization. To accomplish it, it is imperative to rely on the people and bring their initiative and creativity into full play. Without democracy, there is no guarantee that people's basic rights as masters of their own houses will be upheld. Thus, it will be difficult to fully tap people's initiative and creativity. Progress in developing a socialist market economy necessarily calls for progress in democracy, or fierce political and economic conflicts will occur. Socialism calls for overall coordination and the optimal allocation of economic and social resources in the whole society. Without democracy, it is hard to ensure sound overall coordination and avoid grave mistakes. Socialism also calls for the all-round development and emancipation of people, which cannot be accomplished if there is no democracy. When there is no democracy, people are afraid to say what is on their minds and have to say things against their own wish. Human dignity is totally suppressed and twisted, and all-round development and

emancipation are out of the question. A review of history shows that the traditional political system, with overconcentration of political power and lack of democracy, caused grave problems, such as autocratic rule, bureaucracy, privileges and corruption, and greatly undermined the growth of socialism and tarnished its image. History has also shown fully that socialism must pay high priority to developing people's democracy. Any views and acts that neglect or even deny the need to develop democracy will serve only to undermine socialism.

Democracy should be institutionalized and legalized. "It is imperative to have rule of law in order to ensure democracy for the people. Democracy must be institutionalized and legalized, so that such institution and law are not changed along with changes of the views and attention of leaders."¹⁴ This is because democracy is not just some abstract principles. Democracy will not work if it remains something superficial on paper. It is an institution, and a legalized institution with authority and stability at that. Democracy can be realized only when it is turned into a legal institution with great binding power.

In developing democracy, we should proceed from China's realities and blaze a new trail in an orderly way. Owing to the special and complex nature of the economic and social conditions in China, we should not copy the Western mode of the separation of three powers in developing democracy, nor should we just pursue democracy for the sake of formality. Instead, we should promote the development of democracy in an orderly way, with China's realities in mind, and focus on results. Overhastiness and particularly the practice of "great democracy" and "mass movement" should be guarded against. These views of Deng Xiaoping's draw a line between socialist democracy on the one hand and total Westernization, anarchism and overhastiness on the other and have long-term importance in guiding the development of democracy in China.

The nature of socialist democracy is that people exercise state power and truly enjoy the rights of citizens, including the right to manage state and enterprise affairs. The basic framework of socialist democracy includes the system for upholding

basic citizen rights, grassroots democracy, the system of people's deputies and multiparty cooperation under the leadership of the Communist Party, the election system and supervision system. We should promote the development of democracy in all these fields and work to meet the great goal of developing a high degree of socialist democracy in China.

Deng Xiaoping's theory of socialist democracy is not limited to the above, but the above basic views already fully show the richness of his theory of democracy. This theory has laid the theoretical foundation for introducing political reform. It is also from this theoretical prerequisite that Deng Xiaoping developed his thinking on carrying out political reform in China.

Deng Xiaoping's thinking on carrying out political reform can be summarized as follows:

The long-term and near-term goals of political reform: Its long-term goal is to develop a socialist political system that is highly democratic, based on the rule of law and of great vitality and high efficiency. Its near-term goal is to establish a leadership system that will raise efficiency, increase vitality and bring the initiative of all into full play. The long-term goal reflects the basic requirement of socialist democracy, which provides the basic orientation of political democracy. The near-term goal, taking into full account the limits imposed by China's current economic, cultural and social conditions on the development of political democracy, the pressing need for economic and social development in China and the problems in the current political system caused by bureaucracy and feudalism, focuses on democracy of the leadership system. It aims to increase in an all-round way the efficiency and vigor of the political system and bring the initiative of all into play, thus meeting the urgent need to carry out the modernization drive. The near-term goal outlines the priority and basic task for reforming the political system. Thus it helps to overcome both overhastiness and inaction with regard to developing political democracy and enables us to do what is feasible to achieve steady progress in developing democracy. The goal should not be so unrealistically high as to become

unobtainable. However, foot dragging that obstructs progress should also be opposed.

Firmly adjust and rationalize the over-concentrated power structure. Over-concentration of power is the main defect in the existing political system, which manifests itself in the following ways: In the relationship between citizen and government, the latter has too much power. The same is true in the relationship between subordinates and leadership, between local regions and the central government, between society and state, between government and the ruling party and between the general members of the leadership and the chief leader. Such a power structure, which has given rise to a host of grave problems, is clearly incompatible with the needs of the socialist modernization drive. In the words of Deng Xiaoping, the bureaucracy caused by such a power structure is simply intolerable and must be corrected resolutely. A proper division of power is of great importance in adjusting the unbalanced power structure. It includes the following steps: enhance collective leadership, exercise democracy in decision making, separate Party from government, exercise Party leadership according to law (namely, mainly exercise political leadership concerning fundamental political principles, orientation, major decisions and recommending chief officials to state organs of power), set up a strong and efficient government functioning system to manage day-to-day affairs, delegate power to local regions, enterprises and people's organizations, expand autonomy of enterprises and grassroots democracy and free economic and social organizations and individuals from dependence on the state. According to Deng Xiaoping, separation of the Party from government is the key to adjusting the power structure. It should receive priority in order to improve and enhance Party leadership.

Establish a dynamic and effective functioning system. Lack of dynamism and efficiency on the part of the functioning system of the political system has long plagued China's modernization drive. To do away with this defect, it is necessary to streamline the huge Party and government apparatus, improve the efficiency of the functioning system, reform the rigid per-

sonnel system, introduce recruitment of government employees through open examination, standardize post responsibility, promotion on work performance and strict staff training and protection of due employee rights and interests. Promoting young professionals is a key step. The aim of reforming the personnel system is to set up a civil servant system so that the government structure and the personnel management system will be in keeping with the new power structure.

Speed up the development of democracy, the rule of law and improvement of the current democratic system. It is imperative to adhere to, improve and develop the system of the national people's congress, the system of multi-party cooperation and political consultation, the system of election and grassroots-level democracy under the leadership of the Communist Party of China. The adoption of legislation should be speeded up to codify progress in reform and uphold basic citizen rights, standardize administrative work, ensure economic order and protect the environment. This will improve the socialist legal system and meet the goal that the law be in place to follow, that the law be strictly enforced and that law violation be severely punished.

In short, Deng Xiaoping's theory on socialist democracy and political reform has pointed the way for the development of socialist democracy in China. It will guide long-term political reform in China and lay a firm foundation for enrichment of the theory of socialist democracy and political reform.

IV. Advance Reform in an All-round Manner, on a Priority Basis and in Phases

Comprehensive in nature, China's reform is a great systems engineering project, carried out on different levels and in a phased way. The proper handling of relationships will facilitate smooth progress in reform. Deng Xiaoping has put forward important views on the need to carry out reform in an all-round manner, on a priority basis and in phases.

Reform should proceed on a priority basis. Society is an

orderly structure consisting of many levels, such as the economic system, political system and cultural system, and the perceptions behind such systems. Each major system consists of a number of sub-systems. For instance, the economic system consists of the enterprise sub-system, macro-regulatory control sub-system, distribution sub-system and property rights sub-system. The property rights subsystem, in turn, is made up of individual ownership, private ownership, collective ownership and state ownership. The political system consists of an administrative sub-system and a leadership sub-system. The leadership sub-system consists of leadership at central, local and grassroots levels. Similarly, sub-systems and micro-systems can be found in all the other aspects of society. The sub-systems and micro-systems that perform different functions owe their existence to specific social and historical conditions. Changes in these do not occur simultaneously and are reflected in due changes in the reform. This means that reform of the social structure should proceed on a corresponding priority basis. With this in mind, we can identify priority areas of reform, coordinate the relationship of reform of various systems and sub-systems and thus ensure smooth progress in overall reform.

Reform should proceed in phases. Since reform proceeds on a priority basis according to actual conditions, it must also proceed in phases. Transformation of the old system takes time and cannot be achieved overnight. Thus it is imperative to adopt feasible goals for each phase of reform and work to meet them. Identifying different phases of reform and setting up appropriate goals for them are crucial for progress in reform. China's reform has proceeded in phases, as proved. We should grasp the law governing reform and promote overall progress in different phases of China's reform endeavor in the 1990s.

In view of the above features, it is important to carry out reform in an all-round way. It calls for comprehensive transformation of the economic and social structure, not just some aspects of it, for it is impossible for reform to succeed in one particular field only, other fields remaining unchanged. Reform in a particular field needs to be complemented by reform in

other fields, which, in turn, will cause changes in the whole social system. Reform necessarily proceeds in an all-round way, complemented by supporting measures in different fields. Reform should be pursued with the overall goal and proper coordination in mind. China's reform entered the stage of establishing a basic framework for a new system in the 1990s. It requires enhanced overall coordination and should be conducted as a systems engineering project to ease contradictions that occur in the course of reform, speed up the progress of reform and reduce its cost. The leaders of reform should explore new ways to make progress in pursuing reform in an overall manner, on a priority basis and in phases.

V. The General Guiding Principles for Reform: Bring About the Coordinated Progress of Reform, Opening Up and Development

China's reform is an unprecedented and great experiment of global importance. It demands vision, a sound theory and strategy as well as correct general implementing principles and the art of leadership. Deng Xiaoping's theory on the overall implementation of reform and art of leadership evolved in practice play a major role in guiding reform.

The coordinated progress of reform, opening up and development is central to Deng Xiaoping's theory on the overall implementation of reform. China's reform is being pursued in a new domestic and international environment and against the background of an accelerated modernization drive. It is important to properly handle the relationship between opening up and development to avoid stagnation or retrogression in reform and ensure that opening up and reform promote each other. The following principles should be pursued in bringing about coordinated progress in reform and opening up: 1. Conduct reform to promote opening up and vice versa. Without reform, it will be difficult to carry out opening up. Deepened reform calls for greater opening up and hence progress in it. Greater opening up in turn will accelerate reform. In particular, opening the

country to the outside world and using external factors to promote progress are essential in reforming a closed system. Opening up has enabled China to enter into exchange of information and resources with the international community on a gradual basis, thus promoting progress in reform. All the regions in China that led the way in opening up have made greater progress in reform. 2. Focus reform and opening up on basic and pressing issues in development, so as to promote development. Thus reform and opening up will enjoy popular support, as people see the positive impact it has on development. 3. Maintain momentum in development so as to consolidate and promote progress in reform and create a more relaxed environment and the necessary economic and political conditions for deepening reform. Deng Xiaoping pointed out: "The reform will involve much less risk if production maintains a steady pace."¹⁵ It has been proved that maintaining good momentum in development instead of slowing it down in the process of reform will bring the immediate benefit of reform to people. At the very least, it will not deprive the great majority of people of their due interest and lower their living standard. Such an approach will reduce risk in reform, win people's support and create conditions for deepening reform. If reform undermines rather than promotes development and fails to produce progress in a relatively short period of time, it may lose popular support and cause serious disturbances. Yet it is still necessary to slow development for the time being in order for reform to make decisive progress. The reform over the past decade and more has proved the soundness of this general approach. Reform and opening up should go hand in hand with development in a coordinated manner.

Be bold in vision and practical in approach. The reform is a great experiment and China's second revolution. It thus necessarily involves risk. We should be ready to take risks and blaze a new trail in carrying out reform. "One should be bold and fear no risk in carrying out reform. If one is too cautious, he will get nowhere."¹⁶ As risks are inevitable, "we should be prepared to encounter major risks and take due steps to deal with them.

Thus, if major risks do occur, the sky will not fall."¹⁷ As risks will occur in reform, they need to be taken seriously. "One should be firm in carrying out reform and not lose the opportunity when it presents itself. At the same time, one should be cautious and be ready to correct mistakes whenever they are found."¹⁸ Reform should be carried out as an experiment under the guidance of a general plan. Thus, with experience gained, we can carry out reform as permitted by conditions. Deng Xiaoping has all along been opposed to a headlong rush into mass action. He advocates both revolutionary vigor and a practical approach. Using this approach, one will become neither hotheaded nor overconservative and will be able to seize every opportunity to advance reform.

Identify the priority areas of reform, take up less difficult issues first, then deal with the major challenges and core issues, so as to advance reform in an orderly way. When we say the reform is China's second revolution, we refer to the extensive, profound and arduous social changes caused by reform. We do not mean that large-scale class struggle and violent revolution should be launched in carrying out reform. Reform is an evolving process and should be carried out under leadership and in an orderly way. In a sense, reform is carried out to meet the goal of revolution. Deng Xiaoping has repeatedly stressed that a gradual approach should be adopted in carrying out reform and issues should be resolved as permitted by conditions. This actually is how reform has evolved in China in the past decade and more, moving from rural reform to urban economic reform and then to political reform. In the economic field it has moved from separation of ownership from power of management to the introduction of the contract responsibility system, to the all-round transformation of enterprise operating mechanisms, to the introduction of a regulatory mechanism integrating planning and market, and to the development of diverse economic sectors and clear definition of property rights. All these show that the reform has gone through an evolutionary and orderly process.

Experience has proved the soundness of this approach,

which is in keeping with the law governing transformation of the existing system. Handling pressing issues on a priority basis will win popular support and reduce resistance to reform and turbulence. The reform is a process of self-education and self-revolution by the people and government officials. This process must be adhered to for reform to gain the appreciation and support of the people and government officials. The demise of an old system generally starts in its weakest link and the link that is most incompatible with economic and social development. It is also in these links that the new system emerges. The demise of the old system and the emergence of the new system are gradual processes that cannot be accomplished overnight. All these factors will produce an impact on reform and need to be taken into account in adopting guidelines for reform.

VI. The Productive Forces Are the Most Important Criterion for Judging the Success of Reform

In carrying out reform, it is necessary to define its social nature and judge its success.

It is quite evident that China's reform is the self-improvement of the socialist system. The success of reform is judged by whether it promotes the development and self-improvement of socialism. As the reform draws extensively on the achievements of capitalist society, including management expertise, the shareholding system and market mechanism, some people are concerned the reform will change and become capitalist. Different understandings of socialism also lead to different views on the nature and effectiveness of reform steps, hindering the progress of reform and opening up. If a correct criterion cannot be found for judging the nature and effectiveness of reform, it will be difficult to emancipate one's mind and advance the cause of reform. Deng Xiaoping answered this question from a Marxist perspective, and it has a vital bearing on the success of reform.

It has long been held by Deng Xiaoping that to develop the productive forces and modernize China, it is necessary to draw

on some practices of capitalism that have proved workable while giving play to the superiority of socialism. All ways and means that have proved workable may be tried out in the interest of developing the social productive forces. It is irrelevant whether they carry the label of socialism or capitalism. In the report addressed to the Thirteenth National Congress of the Communist Party of China, Deng Xiaoping's concept on the criterion of the productive forces was defined as "whether conducive to developing the productive forces should be taken as the departure point for considering all issues and the basic criterion for judging the success of all work." All that promotes the growth of the productive forces naturally meets the fundamental interest of the people and is therefore in keeping with socialism or is permitted by it. Conversely, all that hinders their growth runs counter to scientific socialism and is not permitted by socialism. Despite such clear exposition, some people still try to use other criteria that ignore the growth of productive forces and show an unscientific understanding of socialism and capitalism to pass judgment on the reform. During his tour of southern China in 1992 Deng Xiaoping reiterated that "the criterion adopted should be whether it promotes the growth of productive forces in a socialist society, increases the overall strength of the socialist state and raises living standards."¹⁹ These remarks by Deng Xiaoping further elaborate the need to take the growth of productive forces as the criterion and exclude other criteria that give no heed to it. According to Deng Xiaoping Thought, just as practice is the only criterion for judging truth, growth of the productive forces is the only criterion for judging the nature and success of the reform. This is clear cut, and there shouldn't be any wavering over it for the following reasons:

First, taking growth of the productive forces as the criterion conforms with dialectic materialism and historical materialism. Deviation from this criterion can only lead one into the blind alley of historical idealism and sophistry. According to historical materialism, a social system is, in the final analysis, determined by the level of the productive forces and is in the

service of the productive forces. An advanced social system necessarily is better able to develop the productive forces than other social systems. The basic system of socialism should be able to free and develop the productive forces. Otherwise, it is not socialist in nature. As reform introduces changes in the social system, it is only natural that one should judge its nature and effectiveness by whether it develops the productive forces. When some people still lack a clear understanding of what socialism really is, talking about socialism and capitalism in abstract terms without using the criterion of developing the productive forces can only lead one to stick to ossified and twisted concepts imposed on socialism and reject as capitalism what contributes to the growth of productive forces and is compatible with socialism. This obviously hinders the development of socialism. The only correct approach is to explore one's way in practice in accordance with the criterion of raising productivity.

Second, taking the development of the productive forces as the criterion directly reflects the nature of socialism and is consistent with it. According to Deng Xiaoping, socialism aims to free and develop the productive forces, eliminate exploitation, prevent class polarization and achieve common prosperity. In the final analysis, it aims to develop the productive forces and promote people's interests. Therefore, all the practices that free and develop the productive forces are socialist in nature or permitted by socialism, and vice versa.

Third, taking the development of the productive forces as the criterion reflects the pressing need of China's economic and social development and the historical lessons. China declined in the past more than four centuries and the gap between itself and the Western countries widened. It now faces growing external and internal pressure. If China does not go all out to raise productivity, it will have no future. China was long plagued by civil war in its modern period and missed many opportunities for development. With this painful lesson in mind, China should now focus on raising productivity. The main setback China has experienced since the founding of the People's Re-

public is that class struggle was taken as the key link to the neglect of raising productivity and developing the economy. As a result, the image of socialism was seriously tarnished and development hindered. Socialism has embarked on the path of revival in China in the past more than a decade, thanks to taking economic development as the central task and proceeding from the two basic points of departure.

In view of the above, we should adhere to taking the growth of productive forces as the criterion in judging the nature and success of reform and resolutely oppose any attempt to replace it with other criteria. However, we should guard against a tendency to use this criterion too rigidly. It should be clear that the growth of productive forces is the fundamental criterion, which, however, requires and does not exclude a series of concrete indexes. In using this criterion for judging the feasibility of reform measures, we should have the overall picture in mind and focus on overall performance.

VII. A Macro-Assessment of the Program for China's Reform in an International Context: 1978-1992

Guided by Deng Xiaoping Thought, China's reform has been in progress for over a decade. Theory has guided the reform, which in turn has tested theory and enriched it. The remarkable progress made in China's reform over the past years has testified to the greatness of Deng Xiaoping Thought as a great ideological weapon guiding the reform. We should continue to adhere to Deng Xiaoping Thought. To gain a better understanding of Deng Xiaoping Thought, it is necessary to review the evolution of China's reform in an international context.

China's reform has evolved through the following stages:

The first stage (1978—1983) was the initial stage of reform, which focused on rural reform. The household production contract responsibility system was introduced as the main thrust of rural reform. During this period the people's commune was abolished and the household production contract responsibility

system was introduced throughout China's rural areas. This instilled vitality into China's long stagnant agriculture. In step with rural reform, people's thinking began to change with the affirmation of practice as the sole criterion for judging truth. The development of diversified urban economic sectors picked up momentum. This stage of reform paved the way for carrying out the reform in later stages.

The second stage (1984—September 1987) marked the unfolding of all-round urban economic reform. With the adoption of Decisions on Economic Reform by the Central Committee of the Communist Party of China in 1984, China's reform extended from rural areas to urban areas. Comprehensive in nature, the urban reform covers educational, scientific and political fields, with focus on the urban economy. The urban economic reform was characterized by the phased introduction of the contract management responsibility system in enterprises. At the same time, the rural reform deepened, which mainly involved improvement of the dual operating mechanism, the introduction of a social service system and the development of township industry. The reform during this stage covered almost all aspects of Chinese society. The setting up of special economic zones also gained momentum. China's reform saw a new surge during this stage.

The third stage (October 1987—the third quarter of 1988) marked the deepening of economic reform and the beginning of political reform. The successful convening of the Party's Thirteenth National Congress ushered China's reform into a new period. The reform began to touch upon more sensitive areas, such as price reform. China's coastal regions were opened wider to the outside world. Preparations were under way to conduct all-round political reform. However, the deteriorating economy slowed the momentum of the reform.

The fourth stage (the fourth quarter of 1988—the end of 1991) focused on putting the economic house in order. The momentum of both economic growth and reform was slowed. While some specific steps were taken in reform, such as the raising of railway fares, no major reform initiative was taken

and reform was at a low ebb. Some old practices were revived in the enterprise leadership system. However, inflation was effectively brought down and the economy was in better order. Some deeper structural problems in the economy, such as the imbalance existing in economic sectors and low economic efficiency, became increasingly acute. This made it urgent to accelerate the reform.

The fifth stage (February 1992—the present period) triggered a second surge in reform, which has unfolded in an all-round way.

The above review of China's reform reveals the following features: The reform has centered on development and extended from rural areas to urban areas and from the economic field to the political field on a priority basis. The less difficult issues were handled first. This stands in sharp contrast to the former Soviet Union and the socialist countries in eastern Europe, whose reform was politically driven. Their economic reform and particularly rural reform proceeded haltingly with little real progress made. China's reform is market driven, which has led to the emergence of an ownership structure in which public ownership serves as the mainstay, supplemented by other ownerships, and an income distribution structure based on the principle of to each according to his work and supplemented by diverse forms of income distribution. China's economic reform has yielded great progress, whereas the Soviet Union and other socialist countries have lagged far behind in their reform. China's reform and opening up have gone hand in hand with and promoted each other. Some socialist countries, however, have only partially opened themselves to the outside world.

In general, China has led the socialist countries in Asia and Latin America and the former Soviet Union and the former socialist countries in eastern Europe in carrying out reform. In particular, China has gone a long way in economic reform. Its economy has increasingly become market-oriented. There has been rapid growth of diversified economic ownership. Much progress has been made in the country's opening up and in setting up special economic zones. China's reform has invigo-

rated its economy and brought hope to the country. This is a fundamental reason why socialism, at a low ebb elsewhere in the world, has seen vigorous growth in China.

We must not fail to see, however, that some profound challenges in China's economic reform remain unmet, and progress has been slow in political reform. There is still a long way to go before China's reform can meet its goal. Whether China can establish a basic framework for the new economic and political system and basically complete transformation of the old system into a new one in the 1990s will have a direct bearing on the progress of its economic and social development, its modernization drive in the 21st century and the fate of socialism. The Chinese people and the Chinese Communists must pursue the course of reform with determination. The grand cause of reform should and must succeed; there is no turning back. We should, under the guidance of Deng Xiaoping Thought, blaze a new trail of building socialism with Chinese characteristics through carrying out reform and opening up.

Notes

1. Xinhua News Bulletin, March 18, 1985.
2. *Ibid.*, Sep. 14, 1986.
3. *Selected Works of Deng Xiaoping (1975-1982)*, People's Publishing House, 1983, pp. 125-126.
4. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, p. 105.
5. *Selected Works of Deng Xiaoping (1975-1982)*, People's Publishing House, 1983, p. 293.
6. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, p. 117.
7. *Ibid.*, p. 16.
8. *Selected Works of Deng Xiaoping (1975-1982)*, People's Publishing House, 1983, p. 140.
9. *Important Speeches of Deng Xiaoping (February-July 1987)*, People's Publishing House, 1987, p. 33.
10. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, pp. 99, 53.
11. *Ibid.*, pp. 138, 137.
12. *Selected Works of Deng Xiaoping (1975-1982)*, People's Publishing

- House, 1983, p. 154.
13. *Ibid.*, p. 282.
 14. *Ibid.*, p. 136.
 15. *People's Daily*, June 7, 1988.
 16. *Xinhua News Bulletin*, May 19, 1988.
 17. *Ibid.*, June 3, 1988.
 18. *Ibid.*, May 24, 1985.
 19. Research Information, *Journal of the Central Party School*, No. 9, 1992, p. 6.

Chapter 8

Develop Productive Forces and Increase Aggregate National Strength by Relying on Scientific and Technological Progress and Introducing Modern Management Expertise

What should we rely on to develop the productive forces? There are all kinds of answers to this question. In today's world increasing aggregate national strength by a big margin and in a short time is possible, but only by relying on progress in science and technology and by introducing modern management expertise.

I. “Science and Technology Are the Primary Productive Forces”: A Major Breakthrough in Marxist Theory on the Development of Productive Forces

It is one of the important Marxist theories that science and technology constitute part of the productive forces. What Deng Xiaoping has contributed to Marxism in this regard is to develop this important theory of Marx's.

In 1977 Deng Xiaoping said, “The key to achieving modernization is the development of science and technology.”¹ He reiterated this Marxist view by saying that “science and technology are the productive forces” at the National Science Conference in 1978 and went on to spell out a series of concepts and policies, the most important of which was to describe the intellectuals in China as “already serving the working class and other working people.”² This was an important proposition in that it reversed the long-held erroneous view of intellectuals in socialist China as generally “bourgeois intellectuals” and rein-

stated the correct identification of intellectuals made by our Party, represented by Zhou Enlai, at the national conference on intellectuals held by the CPC Central Committee in 1956 and at the working conference on science and technology held in Guangzhou in 1962. The Twelfth CPC National Congress, held in September 1982, also pointed out that the "key to the four modernizations is the modernization of science and technology."³ All these scientific expositions have been tested in practice. Deng Xiaoping made it very clear at the National Conference on Work in Science and Technology, held on March 7, 1985, that the controversy over whether science and technology constituted part of the productive forces and intellectuals part of the working class has been settled. "How was it settled? Through practice and by the masses." "Nowadays even the peasants in mountainous areas know that science and technology are part of the productive forces. They may not have read my speech, but through their own practice they have come to realize that scientific and technological advances can help them expand production and become prosperous."⁴ The subsequent Decision of the CPC Central Committee on the Reform of the Scientific and Technological System developed this concept and elaborated it as follows: "Modern science and technology are the most active and decisive factor of the new social productive forces. With the vigorous unfolding of the new world technological revolution, science and technology have become increasingly relevant to every aspect of the material and spiritual life of society, an important factor contributing to higher productivity and a cornerstone on which to build modern spiritual civilization. In the cause of socialist construction, the whole Party must attach great importance to and bring into full play the role of science and technology." By defining science and technology as the "most active and decisive" factor, we gained a better understanding of the role of science and technology. Science and technology have, for the first time, been placed on a par with the labor factor, which used to be considered the most active and decisive factor. In 1988 Deng Xiaoping elaborated his point during his meeting with President Gustav Husak

of Czechoslovakia, saying, "Marx said that science and technology are part of the productive forces. Facts show that he was right. In my opinion, science and technology are a primary productive force." He went on to say: "Since intellectuals, who during the 'cultural revolution' were called the 'ninth category,' are part of the working class, we should raise them to the first place."⁵ By saying so, Deng has redefined the status of the science and technology factor among other factors of the productive forces. Therefore, Deng Xiaoping has not only inherited but also developed Marxism in this area.

All correct theories are well founded. They are necessarily results of scientific summary of objective reality. The conclusion that "science and technology are a primary productive force" is drawn from the fact that the tremendous scientific and technological advances have significantly promoted social progress today. Back in 1978, Deng Xiaoping said at the opening session of the National Science Conference: "Modern science and technology are now undergoing a great revolution. The advances over the last three decades have not been limited to particular scientific theories or production techniques, nor have they just represented progress and reform in the usual sense. Rather, profound changes have taken place and new leaps have been made in almost all areas. A whole range of new sciences and technologies is continuously emerging. Modern science opens the way for the improvement of production techniques and determines the direction of their development.... A series of new industries, including high-polymer synthesis, atomic energy, electronic computers, semi-conductors, aeronautics and lasers, has been founded on the basis of newly emerging sciences. Of course both now and in the future there will be many topics of theoretical research for which at the moment no practical application can be seen, but a host of historical facts has proved that once a major breakthrough is achieved in theoretical research, it leads, sooner or later, to enormous progress in production and technology. Contemporary natural science is being applied to production on an unprecedented scale and with unprecedented speed. This has given all fields of material

production an entirely new look. In particular, the development of electronic computers, cybernetics and automation technology is rapidly raising the degree of automation in production. With the same manpower and the same number of man-hours, people can turn out scores or hundreds of times more products than before. What has brought about the tremendous advances in the productive forces and the vast increase in labor productivity? Mainly the power of science, the power of technology."⁶ What Deng Xiaoping said fourteen years ago has proved to be correct and relevant. Science and technology do not constitute an independent factor in the productive forces, like other factors, but permeate all other factors, extending and enriching them.

Manpower does not refer just to physical capability, but also to intellectual quality. Intelligent labor, as we call it, includes the work of scientists and technical experts as well as that of the traditional laborers turned skilled workers. The emergence of more and more technology-intensive industries means that laborers need to equip themselves with new and high-tech knowledge in order to do their job. In other words, the scientific and technological advances call for considerable improvement in the quality of laborers.

Scientific and technological progress has also produced a profound impact on the development of the instruments of labor. There are not only physical instruments that incorporate sophisticated science and technology, but also invisible instruments, including information, thanks to the development of electronics. This significant qualitative change should be attributed to modern science and technology.

Scientific and technological progress has changed the working subject as well. The development and wide use of such high-tech materials as high-polymer materials, compound materials and all kinds of functional materials have made it possible to replace natural materials. The development of space and marine technologies has enabled the human race to explore vast space and mysterious oceans.

Science and technology have made management a science. The application of operational research, systems engineering

and electronic computers has greatly increased the efficiency of management and made timely decisions, best options, rational utilization of resources and ideal economic returns possible.

Appreciating the theory of science and technology as a primary productive force is not an end in itself. What is important is to master modern science and technology and use them to serve economic development, since science and technology, the new and high tech in particular, may greatly promote economic growth. We should apply scientific and technological results to production immediately and extensively and bring into full play the role of scientists and technical personnel, so as to greatly emancipate the scientific and technological productive forces and promote economic and social progress. Deng Xiaoping once emphasized, "The next century will see rapid development of high technology. It is necessary for China to develop its own high technology, so that it can take its place in this field."⁷ To develop high technology, it is inadequate to stop short at the research stage. In this regard Deng Xiaoping wrote an inscription for the scientific and technological community on April 23, 1991, as follows: Develop High Tech and Put It into Mass Production. In other words, the development of high tech should serve economic growth and contribute to the formation of new industries and rational readjustment of the industrial mix with the help of the high-tech breakthroughs. Consequently, a large number of new industries are expected to be introduced and numerous traditional industries to be transformed.

II. With Education as the Country's Foundation, We Must Respect Knowledge and Trained Personnel

"Unless we pay special attention to education, it will be impossible to develop science and technology.... To promote scientific and technological work, it is necessary to improve education at every level simultaneously."⁸ "Now it appears that China is a full 20 years behind the developed countries in science, technology and education.... We must recognize our backwardness, because only such recognition offers hope.... As

early as the Meiji Restoration the Japanese began to expend a great deal of effort on science, technology and education."⁹ Here Deng Xiaoping pointed to the close linkage between science and technology and education and blamed inadequate attention to education for the backwardness in science, technology and education. With a strong sense of urgency he warned us that if we "fail to pay special attention to science, technology and education, our four-modernization program will become empty talk and come to nothing."¹⁰ Deng Xiaoping has always put education within the framework of the grand goal of modernization and viewed it from a historical perspective. "China's economy may approach the level of the developed countries by the centenary of the founding of the People's Republic. One of the reasons we can say so is that in the meantime, we shall be able to develop education, raise the scientific and technological level of the country and train hundreds of millions of people in all disciplines and at all levels. Our national strength and sustained economic development depend more and more on the educational qualifications of the working people and on the quantity and quality of intellectuals. When China, a vast country with a billion people, has developed its education, it will enjoy an enormous superiority in intellectual resources that no other country can match. There is no doubt that when we have that superiority, together with an advanced socialist system, we shall be able to attain our goals.... The Central Committee has called upon us to do our utmost to develop education, beginning with elementary and secondary education. This is a strategic move. If the Central Committee did not set this task for the Party now, major undertakings would be delayed and history would hold it responsible."¹¹ Two and a half years later, in October 1987, the Thirteenth CPC National Congress fully affirmed the role of education in economic development. It was stated in the report delivered at the congress that "basically, the development of science and technology, the revitalization of the economy and indeed the progress of the whole society all depend on improving the quality of the work force and training large numbers of competent personnel. Education is of funda-

mental importance to the fulfillment of our great long-range mission. We must therefore continue to stress the strategic role of education and do a better job of tapping intellectual resources.”¹²

The importance of education lies in its fundamental purposes to “raise the national quality, turn out trained personnel and better ones at that.”¹³ To achieve this goal, we must “create within the Party an atmosphere of respect for knowledge and respect for trained personnel.... All work, be it mental or manual, is labor. Those who engage in mental work are also workers.”¹⁴ “We should cherish able people and value their labor. They are indeed hard to come by!”¹⁵ It is precisely because they are hard to come by that “we should be on the look-out for capable persons.” Some systems “may prevent us from discovering talent. We should conscientiously try to remedy this situation.”¹⁶ Before a mechanism in favor of discovering talent is established and improved, “we must break with routine ways of discovering, selecting and training outstanding people,” not just a few such people, but a continuous flow of them. “The revolutionary cause needs outstanding revolutionaries, and our scientific undertakings need outstanding scientists. Only the continued flow of talent ... can help raise the scientific and cultural level of the Chinese nation as a whole.”¹⁷ Believing that “too few of them [cadres] have specialized training in their particular field of endeavor,” Deng Xiaoping pointed out that “the four modernizations cannot be achieved merely by keeping to the socialist road; we must also master professional knowledge and skills.”¹⁸ He went on to say: “Does our need for an increasing number of specialized personnel mean that we now have none? No. The problem is that our Party committees at different levels, and especially some veteran comrades, haven’t paid enough attention to the matter and have failed to make a conscious effort to look for, select and train specialized personnel and help them in their work.... Many of them go undiscovered, and they cannot do what they are capable of because their working conditions are too poor and their incomes too low.... China has only a limited number of competent personnel to

begin with, so we simply cannot continue to waste talent; we can't afford it."¹⁹

Can a person be trained to become a professional? What kind of profession may he or she take? How to give full play to his or her talent? These issues depend on the needs of a society and the conditions it may provide.

First, education underpins the development of human resources. At the National Conference on Education held in April 1978 Deng Xiaoping expounded on the ways to do a good job in education. According to him, the key to education lies in its system, and to improve education, we must start with primary education. "Schools should always attach first importance to a firm and correct political orientation."²⁰ There should be "steady improvement in the methods of combining study with productive labor and of selecting the type of labor appropriate for this purpose."²¹ In order to turn out younger competent personnel, we may run preprimary education courses and "start from primary education."²² To turn out competent personnel faster, we may run key schools at the primary, secondary and tertiary levels and "permit skipping."²³ To turn out more competent personnel, we should "train a new generation that would integrate theory with practice, unite study with practical application and develop in an all-round way."²⁴ He pointed out further that most important in education were teaching materials and teachers. "The teaching materials must reflect the advanced levels of modern science and culture, while conforming to the actual conditions of our country."²⁵ "Only when teachers teach well can students learn well."²⁶

Second, people become competent mainly through practice. Deng Xiaoping's thinking has improved Marxist views on how competent personnel should be trained and improved. Deng points out in his paper "On Reform of the System of Party and State Leadership" that cadres "should go through the process of learning their profession, tempering themselves, working among the masses and accumulating experience."²⁷ He believes it is important to institute a system whereby those professionally competent and in their prime time are placed in a position

in which they can give full play to their knowledge and capabilities. "After all, if it's not your job, you don't worry about it. Give young and middle-aged comrades the job and they will gradually become competent."²⁸

Finally, rational use and management of personnel are the only way to bring their capabilities into full play. By rational use we mean to "select the virtuous and appoint the able" and give full play to the capabilities of the appointed people. In other words, cadres must be competent both morally and professionally. "Selecting the virtuous and appointing the able ... embraces the [three] qualifications of political quality, competence and experience. 'Virtuous' means good political quality, while 'able' means having professional knowledge, a good education, practical experience and a physical constitution up to the demands of the job."²⁹ For political integrity we in China stress adherence to the "one central task and two basic points of departure." We should throw convention to the winds in selecting cadres. Instead of stressing seniority, we should use whoever are competent. At the moment it is imperative to "discover and promote fine young and middle-aged cadres, even if we have to bypass certain regulations." "We can certainly promote to leading positions a large number of fine young and middle-aged people ... provided we work boldly yet carefully, conduct thorough investigation and study, and ask as many people as possible for their opinions."³⁰ However, it is not advisable to burden scientists with administrative work. Otherwise, they will not be able to concentrate on their professional work and on scientific research. That is to say, we should use cadres in light of their competence in various areas. Sound personnel management requires us to allow a rational flow of trained and educated personnel and bring their capabilities into full play. "Without this kind of mobility, personnel will become rigid in their thinking.... We, too, should gradually institute a system of interchange and renewal of personnel."³¹ "Another point is that the management of people should be institutionalized.... It is essential to improve the systems of election, recruitment, appointment, removal, assessment, impeachment and rotation of

cadres and, in light of specific conditions, work out appropriate and explicit regulations for the terms of office and retirement of leading cadres.³² "Qualified professional people should be granted appropriate professional titles and receive their due salaries."³³ "The point of all this is to encourage people to make progress."³⁴

Socialist modernization needs a large contingent of competent and qualified personnel of all professions. To turn out more qualified personnel faster, we must give top priority to education in our nation-building endeavor and at the same time respect and rationally use trained and educated people, so that they will be able to use their wisdom and intellect in the socialist modernization drive as much as possible.

III. Comprehensive Management of the Modernization Drive: Inherent Requirements and Features of Socialism

It was pointed out in the report delivered at the Thirteenth CPC National Congress that "modern science and technology and modern management are the decisive factors in improving economic results and the principal means of enabling the economy to advance to a new stage of growth."³⁵ Without a revolution in management, socialist modernization and economic growth would be difficult in China. A revolution in management calls for, first of all, a revolution in management thinking, or comprehensive and systematic thinking. Modern management calls for development from management experience to management theory and from general management to social systematic management theory, and further to comprehensive management theory. In short, it is a continuous development process. At present and even for a fairly long time to come, the political, economic, scientific, military, and diplomatic activities and their reform will all be comprehensive and systematic and serve economic development.

Socialism with Chinese characteristics must necessarily give predominance to public ownership. Hence it determines the comprehensive and systematic nature of socialist economic

development. To fully demonstrate the superiority of socialism, it is essential to establish an all-round socialist management system responsive to Chinese conditions. Comprehensive management is an inevitable result of the development of modern scientific management, which may develop into comprehensive management only in a socialist society. In other words, the socialist system provides a social and practical foundation for the development of comprehensive management.

One of the essential features of socialism is the public ownership of the means of production with the non-public sectors as a necessary supplement to public ownership. The multi-form relationship of production fits the objective requirements of the development of the productive forces at this stage in China. Another essential feature of socialism is pursuit of common prosperity based on the principle of distribution according to one's work. Deng Xiaoping once warned us: "If there is polarization, the reform will have been a failure."³⁶

Production in a socialist society is to gradually meet the growing needs of the entire population for their material and cultural life. To this end, it is necessary to enhance comprehensive management, which is an intrinsic requirement of socialism.

The socialist economy calls for socialized mass production on the basis of public ownership. Under socialism, people are both producers and owners of the means of production. Public ownership has integrated the whole society, which may produce greater productive forces than a capitalist society through voluntary integration by the working people with the means of production. However, the system itself presents only a possibility. To turn possibility into reality, it is necessary to adopt scientific and effective management. Public ownership under socialism opens up a broad vista for comprehensive management, which can not only produce higher efficiency in the specific production process and the entire social production, but also contribute to an all-round improvement and development of the socialist system. Otherwise, effective reproduction of the socialist material foundation would be out of the question, to

say nothing of the survival and development of socialist public ownership. Clearly, scientific and effective comprehensive management may contribute to both the reproduction of materials and improvement of socialist public ownership.

Comprehensive management is important in three senses in the social production process in a society in which public ownership plays a dominant role:

First, the subject of management. Under the socialist system both the manager and producer are owners of the means of production, and therefore they have no conflict of fundamental interests. The purpose of management, however, is to meet the growing needs of people's material and cultural life. For that reason the interests of management cover the material interests of the entire society.

Second, the object of management. The socialist market economy is a systematic whole. To make such a huge system fully operative, it is imperative to effect systematic and effective management of all the component parts of the system—sector, field, link, layer, etc. The socialist economic system covers such sectors as industry, agriculture, communications and transportation, postal services, commerce, financial and banking services in terms of substance. It involves such fields and links as production, distribution, exchange and consumption in terms of reproduction process. It accommodates Sino-foreign equity joint ventures, Sino-foreign contractual joint ventures, wholly foreign-owned enterprises, private ownership and family business, apart from public ownership, including the economic sectors owned by all the people or by the collective. The latter forms the mainstay of the economy, while the former supplement the latter. The establishment of socialized mass production based on public ownership makes it possible to exercise comprehensive, effective, scientific and systematic management of all sectors, fields, links and layers of the huge system. In a word, comprehensive management under the public ownership system covers and accommodates the entire society in terms of the object of management.

Third, management modality. The all-embracing nature of

the subject and object of management decides its comprehensive modality. As far as management modalities are concerned, there are macro-management, micro-management, medium management and super management in terms of management layers, and management by planning, management by economic levers, management by binding laws and mandatory regulations, and management by flexible policy guidance in terms of management means. Improvement of overall management methodology takes time, but will surely bring about benefits to the entire society.

Comprehensive management does not mean to restore the old command management mode under a commodity economy. Incorporating multi-ownership and multi-operational mechanism is a negation of rigid thinking, the opposite of seclusion, and a departure from high concentration.

IV. Modern Management Boosts China's Reform and Development

Comprehensive management is a modern management method, necessitated by the intrinsic requirements and essential features of the socialist system. Modern management is indispensable for the emancipation and expansion of the productive forces.

The report delivered at the Thirteenth CPC National Congress not only pointed out that "modern management is the decisive factor in improving economic results and the principal means of enabling the economy to advance to a new stage of growth," but also stressed that "we must recognize clearly that we shall get nowhere if we try to develop the economy on the basis of consuming enormous resources. Unless we apply advances in science and technology and scientific management, we shall be unable to produce sufficient grain and other crops on a limited amount of arable land and to maintain the present sufficiency of food and clothing for an ever-growing population, let alone achieve a comfortable or ever-high standard of living.... Advances in

science and technology and improvement of management will basically determine the progress of China's modernization; the revitalization of our nation hinges upon them."³⁷ Modern management covers policy-making, planning, organization, direction, supervision and regulation of modern production and operational activities. It includes modern management thinking, organization, methods and means. Essential to and a guarantee for modern management is a large number of well-trained and open-minded management personnel who are equipped with modern management expertise and always ready to absorb advanced scientific results from home and abroad. Modern management features not only universality, but also changing and developing nature.

Methodologically, modern management features mainly a systematic nature, quantification, information and development of human resources. It can bring into fullest possible play the initiative and creativeness of the labor force and ensure the production system is in the best operational state, so as to achieve the best economic results with the help of modern mathematics and computer-assisted data communication systems.

Policy-making is essential to modern management. A policy error will directly affect the outcome of a matter. Policy-making involves two interrelated steps: to identify goals according to certain criteria or requirements and to determine an appropriate action program for realization of the goals through a scientific choosing process.

Some twists and turns have affected the progress of reform and economic development in China. The reasons for the twists and turns are multiple. One is the absence of modern management of the social activities of reform and development. We have already set the overall objective of reform and development, that is, to put in place a dynamic socialist economic system and turn China into a powerful modern country, but we have not yet come up with an action program to achieve the objective scientifically. With regard to reform, two action programs have been proposed, one featuring "overall planning

accompanied by supporting reform measures" and the other "focusing on breakthroughs in one area and partial reform." The former considers the purpose of the economic restructuring as bringing about a leap from one system to another, which calls for simultaneous introduction of supporting reform measures to all component parts of the entire system, while the latter believes in accomplishing the entire economic structural reform by identifying a breach and making a breakthrough in a certain area of the national economic operation and development. The first program is based on the understanding that the economic system is an organic whole composed of many elements, sectors and sub-systems. To enable the entire system to function organically and effectively, it is necessary to improve all the basic components of the system simultaneously and in a balanced manner. Otherwise, even if the old system is replaced in certain aspects, it would still be difficult to shake its foundation. Even if many elements of a new system have taken shape in a few areas, they could not support and coordinate with each other to facilitate the overall operation of the national economy and effective allocation of resources. Those who have engaged in specific work in a certain area and have never made any comprehensive assessment of the economic system have failed to regard the economic system as a huge and comprehensive one and tend to think the faults of the old system are limited to certain sectors or aspects of the economic system. To them, so long as we change the faulty sectors or aspects, everything will be O.K. Promoters of the first program believe that the integrated whole is greater than the sum of its parts. To rid the old system of its maladies and enable a new system to function properly, coordinated and all-round progress is indispensable, so it is necessary to replace the planned economy of allocating resources through administrative directives with a socialist market economy of allocating resources mainly through the market. However, we have conducted the reform in selected areas instead of in an all-round manner. Though this mode of piece-meal and partial reforms may enable us to avoid risks and gain short-term interests that might be brought about by comprehen-

sive reform accompanied by supporting measures in the short run, it will bring about greater risks in the long run, for the conflicts and contradictions of a dual system resulting from piece-meal and partial reforms will finally offset the short-term interests. If our sick national economy has to operate in this manner for long in the absence of a new system, risks will accumulate and finally lead to failure of the reform cause. In a word, any policy error about the reform will delay the reform process.

Take economic development for example. Once we decided to build China into a powerful modern country in an incremental manner, or what we called "echelon development model." According to that model, we planned to develop the country first in the east, then in the middle and finally in the west. This formula lacks comprehensiveness and systematism and neglects the interrelations and interaction between sub-systems within a system. Development of the eastern part of China needs access to the market of the middle and western parts of China for their products. The backward middle and western parts of China will, however, mean shrunken markets for the products produced in the eastern part of China and thus cause waste of resources. Their rapid development will enable them to substantially absorb the products made in the eastern part and create more needs for products. The middle and western parts are indeed backward, and some of the western parts are even worse. However, some of the medium-sized and large "growth pole" cities in the said areas as well as areas along major transportation lines, such as those along the Yangtze River and along the second Eurasian continental bridge from Lianyungang to Lanzhou and Xinjiang, should develop in step with the eastern part, so as to supplement and support each other, instead of following the "echelon development model." Now we have opted for an action program of all-round opening up of the coastal and border areas as well as areas along the Yangtze River and the Eurasian bridge and common development. This program has proved to be sound.

In short, modern management based on systematic thinking

makes all-round progress in China's reform and development possible.

V. Analysis of Deng Xiaoping's Theory on National Strength

Deng Xiaoping's theory on national strength is a comprehensive one instead of referring to the country's economy only. He believed that by the end of the century our annual GNP would reach US\$ 1 trillion. "At that time China's GNP will place it in the front ranks of countries. One trillion US dollars will mean a comfortable life in terms of the people's living standards and a powerful country in terms of national strength, because if we allocate 1 percent of the GNP to national defense or to science and education, we can accomplish a great deal."³⁸ During his inspection tour of southern China he made it clear that the chief criterion for judging all our work was "whether it increases the overall strength of the socialist state."³⁹ It is quite clear that Deng's national strength refers to the aggregate overall strength of a country, which conforms to his way of looking at things, namely, systematically and in perspective. The aggregate overall national strength should cover economy, science, technology, national defense, foreign relations, political situation, culture and education among other things.

Economic strength undeniably occupies a vital position in the overall national strength. Economic activities are the most basic activities of humankind, transcending racial differences and national boundaries. A country's development level determines its level of science, technology, national defense and foreign relations. An economically developed country can provide sufficient funds for scientific and technological research and experiments, which will greatly advance its scientific and technological level. A developed country is also in a position to arm its armed forces with modern sophisticated weaponry, thus greatly enhancing the striking power of its forces on land, in the air, on the seas and in outer space and putting them in an invincible position. The economic development and subsequent

scientific and technological advances of a country will place it in a better position to conduct foreign affairs. The influence of a country with a developed economy, powerful national defense and advanced science and technology in international affairs is self-evident. Its diplomacy will necessarily become a focal point in the international arena. It will enjoy a high reputation and what it does will have global influence.

Today the world's countries are competing with each other in aggregate national strength, the key to which lies in science and technology. Since the end of the Second World War science and technology have developed at a tremendous speed. The development of high-tech industries, such as microelectronics, biotechnology, communication technologies, new materials, new energy, space technology and marine technology, has contributed to a new technological revolution that has driven social and economic development. First, scientific and technological development has greatly changed the industrial mix and economic structure. The emergence of new technologies has resulted in the establishment of new industries and the shrinking and reorganization of some of the traditional industries. It has also affected the scale of enterprises. Given the features and vitality of new technologies, small and medium-sized enterprises are able to mass produce competitive new-tech products. The development of microelectronics and communication technologies makes it possible to change people's working mode and rapidly develop the tertiary industry, increasing the proportion of mental work to manual work, enabling people to work at home and raising the proportion of the service industry, including consultancy and information service, in the national economy. Scientific advances have contributed significantly to the national defense, enabling the armed forces to extend their operations deep into the oceans and beyond space and to produce precision combat weapons that are highly mobile, easy to deploy and powerful. Powerful and highly destructive strategic weapons that can strike all targets at any distance precisely will enable strategists to attain their strategic objectives without resorting to campaigns and battles. The development of new

technologies has also helped change our strategic thinking in fighting. As any strategic concentration of troops on a large scale will inevitably be spotted and become the target of weapons of mass destruction, commanders have to adapt their war strategies to the new circumstances and shift their focus from the traditional quantity-oriented strategy to a quality- and technology-driven one.

Scientific and technological competition is, in the final analysis, competition in the quantity and quality of human resources. To have an edge in the competition and win final victory, it is indispensable to have a large contingent of high-caliber and high-quality professionals and people with strategic vision. However, the development of human resources depends on education. In this way education is vital to scientific and technological progress.

National defense is the necessary guarantee for a country and a people to stand up in the world family of nations. The growth of national defense depends upon and promotes a country's economic and social development. After the First World War the appearance of then new and sophisticated weapons, such as tanks, airplanes and submarines, necessitated the establishment of special research institutes and war factories for development and production. If we convert the machines, equipment, research institutes, research findings, technical personnel and advanced management expertise for the production of weapons to civilian use, it will yield enormous economic results. Most importantly, technical findings are of great economic significance to the development of products. In this sense economic production and military technologies can be closely linked. History has proved that a new technology usually can be used for both military purposes and the conquering of nature. In fact, many new military technologies are themselves of dual purpose, both military and civilian. The speedy development of science and technology has led to a series of changes in military affairs. In this sense defense needs have spurred the development of science and technology. On the one hand, a large number of new and high technologies have been put to military

use to enable the defense forces to obtain the initial edge in fierce military conflicts. On the other hand, usually only the defense forces can offer high-risk investments before scientific results are put into mass production. In this way the national defense supports the research and development of frontier science and technology. In today's world science and defense of a country are mutually complementary and supplementary.

Diplomacy is a manifestation of the political influence of a country on other countries and international organizations. A country's political influence depends on its economic strength, defense capabilities and scientific and technological level. Economic strength, defense and diplomatic capabilities of a country are mutually supportive. Its diplomatic activities serve to promote, among other things, economic ties with other countries, including attracting foreign capital and technologies and increasing exports, through which to promote economic development at home. A country with great diplomatic influence can influence international political forces to change in its favor through realignment and division when the international situation is tense. As a result, it may minimize its opponents and reduce the pressure on its defense forces, so as to maximize the deterrence of its national defense and serve a purpose that otherwise could not be obtained by its military forces.

The aggregate overall national strength is a concept featuring not only comprehensiveness but also universality, for overall national strength should be assessed in a global context, not a historical context. Therefore, Deng Xiaoping's theory on national strength is part of Deng Xiaoping Thought, which stresses openness and global considerations.

VI. Changes in China's Social Development Mode and Its New Stage of Economic Development

Since the Third Plenary Session of the Eleventh CPC Central Committee fundamental changes have taken place in the social and economic development mode in China. These changes have been effected by summarizing historical experi-

ence. The Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China, adopted in June 1981, points out, after summing up experience, both positive and negative, since the founding of the People's Republic, that it is not advisable to neglect operational management, economic returns, education, science and technology and belittle the important role of intellectuals in economic development. The Report on the Work of the Government delivered at the Fourth Plenary Session of the Fifth National People's Congress in November 1981 put forward a new social and economic development mode. The most important thing about this new mode was to improve economic performance in production, construction, circulation and other fields. To this end the new mode required, among other things, improving the management of existing enterprises, rationalizing their operational management, paying attention to training, and intensifying efforts to develop human resources, education, science and technology. The report delivered at the Twelfth CPC National Congress attached greater importance to science and education, believing that the most important thing in obtaining the economic development goal was to make agriculture, energy, transportation, education and science priority areas. It then pointed out that the key to the four modernizations lay in modernization of science and technology. Since many enterprises in China suffered from backward production and technology, poor management, a serious shortage of skilled workers, scientists and technical personnel, and the low education level of most workers, the report called on us to actively spread techniques that had produced good results, adopt new technologies, new equipment, new techniques and new materials, and intensify the research and application of economic science and management science, so as to improve the national economic planning, management and business management of enterprises. It stressed the importance of making all types of education available to as many people as possible and training all kinds of professionals, so as to raise the technical and educational level of the whole nation. The Thirteenth CPC National Congress,

held in October 1987, mapped out a strategy for achieving the second-stage objective of emphasizing economic results, improving quality and seeking coordinated development and steady growth, since the first-stage objective of doubling the GNP of 1980 and meeting the basic needs of the people for food and clothing had largely been fulfilled. To achieve this goal, it was imperative to do three things: First, give top priority to the development of science, technology and education, so that technical progress and good-quality workers could drive our economy forward. Second, maintain a rough balance between aggregate social demand and aggregate social supply and rationally readjust the industrial setup. Third, expand the opening-up program in both depth and width and continue to enhance foreign economic and technological exchanges and cooperation. The report went on to say that "modern science and technology and modern management are the decisive factors in improving economic results and the principal means of enabling the economy to advance to a new stage of growth," that "advances in science and technology and the improvement of management will basically determine the progress of China's modernization, and the revitalization of our nation hinges upon them," and that "education is of fundamental importance to the fulfillment of our great long-range mission. We must therefore continue to stress the strategic role of education and do a better job of tapping intellectual resources." All this shows that Deng Xiaoping Thought, a crystallization of the wisdom of the Chinese Communist Party and the Chinese people, has correctly pointed out the law of China's social and economic development in the primary stage of socialism and guided the Chinese people in their efforts to fundamentally change the social and economic development mode in China.

The change of the economic and social development mode has resulted in rapid social and economic development, which should also be attributed to advances in science, technology, education and modern management. In the ten years between 1979 and 1988 China achieved 78,800 major scientific and technological results, 7.8 times the sum total of the previous 30

years, with 7,883 results a year on average, up 17 percent. Among them, 5,084 received the state award for scientific and technological achievements, accounting for 64.8 percent of the aggregate total of the previous 30 years, 303 of which were for natural science, 1,561 for invention and 3,082 for scientific and technological progress, 8.9 and 5.27 times and 40.2 percent those of the previous 30 years respectively. The scientific and technological achievements were significant in terms of both quantity and quality. A number reached advanced levels even by international standards. Statistics of the 98,000 scientific and technological results obtained during the Sixth Five-Year Plan period show that over 40,000 were up to domestic or international advanced levels, more than 5,200 of which reached world advanced levels. Eighty percent of the major national scientific research projects to be conducted during the Seventh Five-Year Plan are expected to reach the advanced international levels of the 1980s. The purpose of scientific and technological development is to turn research and development results into productive forces. According to the statistics of the Sixth Five-Year Plan, over 4,000 major research projects yielded results, more than 3,100 of which were put to use in production and development, producing enormous economic returns. The proportion of investment to profits was about 1:5. In the period between 1978 and 1988 we spread and put to use, throughout the country, 5,118 scientific and technological results that had obtained a state award. This effort either increased revenue or saved money for the users, totaling 180 billion yuan. The "Sparks Program," which was launched in 1985 and aimed at reinvigorating the local economy through scientific and technological progress, has been adopted by almost all counties in China. By the end of 1987, 961 national research projects and 8,694 provincial or prefectural projects had been launched, 2.6 million men-times trained, 2,500 projects examined and accepted, and over 2,000 new products developed, many making inroads in the international market.

Between 1978 and 1988 institutions of higher learning increased from 598 to 1,075, up 79.8 percent; their enrollment

rose from 856,000 to 2.066 million, up 141.4 percent. Secondary specialized schools increased from 2,760 to 4,022, up 45.7 percent; their enrollment, from 889,000 to 2.052 million, up 130.8 percent. Normal secondary schools increased from 62,345 to 91,492, up 56.4 percent, but their enrollment decreased from 65.483 million to 47.615 million, down 27.3 percent. Secondary agricultural and vocational schools multiplied by 170.2 percent, from 3,314 in 1980 to 8,954 in 1988; their enrollment was up 515.4 percent, from 454,000 to 2.794 million. In 1988 there were 1,373 institutions of continuing higher education with an enrollment of 1.728 million, plus a separate enrollment of 3 million self-taught students, and over 57,000 secondary schools of continuing education with an enrollment of 1.231 million students. Since 1978 China has sent more than 87,000 people to study abroad; over 20,000 are self-funded. Up to now more than 20,000 government-sponsored students have returned to China upon their completion of studies abroad.

With the deepening of economic restructuring, gradual improvement of the external environment and the maturing of the market mechanism, enterprise management is gradually adapting itself to the requirements of the socialist market economy and has significantly promoted economic development. This is mainly reflected in the following aspects: a) Greater awareness of the importance of management and a shift in management thinking. For instance, the business scope of enterprises has gradually expanded from production only to a combination of production and marketing, and management has shifted from closed door to openness. As a result, managers of enterprises have become increasingly market-oriented and competition- and profit-minded. b) Intensified activities to upgrade enterprises to improve their quality. During the Seventh Five-Year Plan departments concerned examined and approved, in four batches, 4,211 enterprises to be upgraded to second-class state enterprises. These enterprises have largely become leading key enterprises in their sectors. c) Groundwork laid and conditions ripe for upgrading enterprise management. Our survey reveals that 17,000 enterprises in China have instituted an

enterprise standardization system, including working standards, management standards and mainly technical standards. At present, over 90 percent of large and medium-sized key enterprises are metrologically trusted enterprises that have reached the qualifications for third-class state enterprises or above. The direct economic returns yielded by the metrologically trusted enterprises in five years reached close to 20 billion yuan. d) Improved field management of enterprises. This has served to improve the production environment, boost the morale of the workers, improve quality of products, reduce consumption, and ensure balanced and efficient production and safety in production. e) Implementation of the Program of Modern Enterprise Management. In 1986, thanks to the upgrading of enterprises and implementation of the program, much progress was made in modern enterprise management. A large number of large and medium-sized enterprises adopted modern management and came up with new ideas. For instance, they adopted modern management and strove for good performance in all areas. They used computers widely and were linked to computer systems or even computer networks. They not only drew upon but also improved modern management. f) Enhanced training of management personnel to improve their management level. We have trained and examined 180,000 factory directors or managers throughout the country, redoubled efforts for the construction of training bases and training systems, and formed a contingent of professional and part-time teachers and trainers who are competent in teaching, scientific research and consultancy.

In sum, the transformation of the economic and social development model in China and the development of its national economy to a new stage have shown that Deng Xiaoping's concept on the vital importance of scientific and technical progress and modern management to economic development has contributed to the growth of the productive forces and of China's overall national strength.

Notes

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 17. *Ibid.*, p. 55.
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 26. *Ibid.*
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Chapter 9

Open Wider to the Outside World, Promote Cooperation and Participate in Competition to Raise China's Strategic Status in World Development

I. Deng Xiaoping's Global Concept and China's State Policy of Opening to the Outside World

Although people in ancient China had no conception of the earth's being a planet and nobody ever thought of venturing to the seas to find out the shape of the earth, the idea of "world" actually developed at a very early date. The *Biography of Emperor Mu* contains references to China's contacts with the outside world as far back as 2000 B.C. From the time of Zhang Qian's "opening a path to the Western Regions" (as written in the *Records of the Historian*) to Xuan Zang's pilgrimage to the West for Buddhist scriptures, Chinese messengers traversed the ancient tracks for several thousand years to explore the outside world. However, given the limitations of China's natural, agricultural economy, it was impossible to link the whole world through economic, political and cultural ties with either the "global" concept or the opening concept of medieval times. From the Ming and Qing dynasties onward, China remained backward and was constantly subjected to aggression, because the feudal dynasties pursued a closed-door policy. The history of the past 5,000 years has shown that whenever a country grows strong and prosperous, it adopts an open policy, and such a policy in turn helps it become more powerful; whenever a country gets weak, it adopts a closed-door policy, and the longer it closes itself to the rest of the world, the weaker it becomes.

Deng Xiaoping said, "We suffered from isolation, and so did our forefathers. You might say it was an open policy of a sort when Zheng He was sent on voyages to the western oceans by Emperor Cheng Zu of the Ming Dynasty, but the Ming Dynasty began to decline with the death of Emperor Cheng Zu and China was subjected to aggression. In the Qing Dynasty, during the reign of Kang Xi and Qian Long, there was no open policy to speak of. China remained isolated for nearly 200 years, counting from the reign of Kang Xi. As a consequence, the country declined into poverty and ignorance."¹ With the lessons of history in mind, Deng Xiaoping formulated the open policy and made it an important state policy.

After the founding of New China we did open our country to the outside world, but the opening had the following implications: First, it opened the door within the context of "leaning to one side," that is, open only to the Soviet Union and other socialist countries. Second, it followed a reproduced version of the "world revolution" strategy and judged other countries against the ideology that we deemed ourselves as the most revolutionary. The assessment of global developments of that period was based on an erroneous understanding of the times and the international situation. It was believed that a third world war would inevitably break out and that people should be prepared to fight a big war rather than a small one and to fight it at an early date rather than at a later date. Third, opening up was equated with "slavish comprador philosophy," "worshipping things foreign or fawning on foreigners" and "seeking power and wealth by betraying one's country." This was a reflection of sensitivity on the part of China, which had stood up and become master of its own fate and was determined to shake off the bitter past. Just as Deng Xiaoping said, "After the founding of the People's Republic, during the period of the First Five-Year Plan, we did open our country to the outside world, but only to the Soviet Union and eastern European countries. Later we closed our doors, hence we did not make striking progress."²

In forming his views on global development, instead of a

linear mode of thinking, observing the world from a Chinese window or one-sidedly explaining the world from a Chinese angle, Deng Xiaoping had a two-way or pluralistic mode of thinking. Observing the overall world situation from a higher plane, he viewed China in the context of both history and reality and identified China's proper position in the world. From this standpoint he studied China's specific conditions and formulated a feasible general strategy and basic national policy. Deng Xiaoping said, "The present world is open."³ "China cannot develop in isolation from the rest of the world."⁴ We must "observe the laws governing social development."⁵ This is Deng Xiaoping's new "world" outlook. On this basis he advanced the policy of opening to the outside world, which is scientific and comprehensive, imbued with the spirit of the times and full of creativity.

A new global concept inevitably led to a new state policy of opening to the outside world. Deng Xiaoping's open policy is in keeping with China's specific conditions and embodies distinctive features of the times. It has also further developed Marxism and established a comprehensive system of the idea of opening to the outside world.

— Deng Xiaoping's policy of opening to the outside world is all-directional. He said, "By the open policy we mean opening to all other countries, irrespective of their social systems."⁶ Such opening covers three categories of countries: developed, socialist and developing countries.

— Deng Xiaoping's open policy is aimed at urging people to introduce and learn from advanced foreign experience and technology, so that we may benefit from the outstanding achievements of science and culture in the world. Opening to the outside world does not merely mean the introduction of equipment and expansion of trade; more important is to learn advanced foreign management expertise and scientific knowledge, so as to fundamentally lift China out of backwardness. "We must encourage people to learn from others willingly, so that China can speedily master the world's latest science and technology"⁷ and "learn advanced methods of management

from foreign countries.”⁸

— The comprehensive open policy covers all countries and all domains. We have abandoned the principle of “fostering mainly Chinese traditional culture, while making use of Western sciences.” Deng Xiaoping said, “We should strive to expand exports in exchange for high-grade, high-precision, advanced technology and equipment, so as to speed up the technical transformation of our industries and raise the productivity of labor.”⁹ “We should obtain such aid as foreign investment capital and technology, even welcome foreign enterprises to construct plants in China.”¹⁰ “We should make use of the intellectual resources of other countries by inviting foreigners to participate in key development projects and other construction projects in various fields, to run educational institutions and take part in technical innovation.... Once they are here, we should make the best use of their skills.”¹¹ He maintained that “to invite foreign scholars of Chinese descent to China is a concrete measure for developing our science and technology.”¹² He also pointed out that “it is right for us to carry out the economic policy of opening to the outside world, and we must adhere to it for a long time to come. We must also continue to expand our cultural exchanges with other countries.”¹³

The open policy is a long-term system of state policy. Deng Xiaoping observed: “Opening to the outside world is long-term, not short-term policy. It will remain unchanged for at least 50 or 70 years.... By then it will be even less likely that the policy will change.”¹⁴ The policy of opening to the outside world is neither a mechanical application of foreign experience, leading to “total Westernization of China,” nor a half opening by “stressing one aspect to the neglect of the others.” Rather it is a scientific, pragmatic and dialectical open policy. It requires that we open to all countries and introduce and learn from foreign experience and scientific technology, while keeping firmly to the socialist road. We should keep our door open while maintaining independence. This is different from the past partial opening approach. Deng Xiaoping solemnly declared to the world: “While the Chinese people value their friendship with

other countries and other peoples, they value even more their hard-won independence and sovereign rights. No foreign country should expect China to be its vassal or to accept anything that is damaging to China's own interests."¹⁵

Socialism calls for opening up, which is the only way to develop socialism. Marx pointed out that owing to the integration of the world caused by large-scale capitalist socialized production, "in place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal inter-dependence of nations, and as in material, so also in intellectual production."¹⁶ Lenin further pointed out that under the capitalist system, the economic, political and cultural life of humankind was getting more and more internationalized. The socialist system would bring about worldwide internationalization of human life.

Leaving behind the stage of closed-door development, China has resumed its imposing posture of opening to the outside world and forged close ties with the rest of the world. Deng Xiaoping has led China, an ancient Oriental country with all its traditions, onto the road of opening to the outside world.

II. Draw on the Experience of Others While Learning, Innovate in the Process of Assimilation and Achieve Common Progress Through Cooperation

The tremendous changes in the present era have been brought about primarily by the progress of science and technology. The human race has entered a new period of scientific and technical revolution and rapid social development. According to research, modern science and technology are accelerating their development in accordance with the index law. In the 19th century man's knowledge doubled every 50 years. In the first half of the 20th century it doubled every ten years. And after the 1970s it doubled every five years; now, every three years. The cycle from scientific and technical invention to its application has been greatly shortened, from 30 years to two or three years. Under such circumstances, if one refuses to learn or go

in for cooperation and innovation, it will be difficult to make any progress. Owing to the fast development of the mass media in an era of information and of communications facilities, the trend towards global integration has accelerated and offered an opportunity to learn from the most advanced achievements in science and culture in different countries. It can thus be said that he who pioneers in research and is good at learning will gain the initiative and have the chance to innovate and progress.

Civilization has been developing through mutual interaction, assimilation and support. The original structure of modern science grew out of ancient Egyptian and Greek civilization. When the dissemination of the original structure of modern science encountered an unbridgeable gap, it was the Chinese nation that contributed the technique of paper-making and printing. Without the invention of paper it would have been unimaginable to disseminate the theories of Aristotle and Ptolemy with just sheepskin as paper. With the Chinese compass and explosives Westerners gained hegemony on the seas. In modern times China closed its door to the outside world, regarding itself as a superior divine state and rejecting all "funny and peculiar Western skills and techniques." As a consequence, China lagged behind the Western powers and suffered one humiliating defeat after another. During the "cultural revolution" all attempts to learn from foreign countries were regarded as "pursuing feudalism, capitalism and revisionism," following a "bourgeois and expert road" and "maintaining illicit relations with foreign countries." This ancient benighted drama of medieval times, revived on the modern stage, greatly distanced China from the advanced civilization of the world.

As a far-sighted reformer of great talent and bold vision, Deng Xiaoping saw the necessity of learning from foreign countries, so he proposed the method, purpose and means of learning. He pointed out: "The key to the four modernizations is the modernization of science and technology.... Without the rapid development of science and technology, there can be no rapid development of the economy."¹⁷ "In the world today, mankind is progressing at a tremendous pace. Especially in

science and technology, if we lag only one year behind, it will be very hard for us to catch up."¹⁸ Therefore, we "must be clear-sighted that our scientific and technical forces are still too meager to meet the needs of our modernization program."¹⁹ "Science and technology are part of the wealth created by all mankind."²⁰ We should use them so that we can advance from a higher starting point and need not follow the path traversed by others. In this way we can save both time and expense and narrow at a faster pace the gap between ourselves and advanced countries. Henceforth, "we must endeavor to increase academic exchanges and expand friendly contacts and cooperation with the scientific communities in other countries."²¹ "We encourage people to learn from others, so that China can speedily master the world's latest science and technology."²²

The ultimate aim of learning is for one to assimilate knowledge and innovate, so as to promote development. Only through cooperation and drawing on the experience of others in a scientific way can such learning promote development and progress. Otherwise, one can learn only some superficial knowledge, like floating duckweed or rootless autumn grass. The significance of drawing on the experience of others is as follows: First, it meets practical needs. Second, as a Chinese saying goes, it "makes up for one's deficiencies by borrowing stones from other mountains and light from afar." China and Japan both dispatched people to the West on study tours in 1860. The government of the Qing Dynasty set its sights only on obtaining machinery and implements, while Japan paid attention to scientific methods, skills in modern management and the mode of thinking in the West. As a result, Japan rapidly rose to the ranks of big powers, while China suffered a disastrous defeat in the Sino-Japanese naval battle of 1894-1895.

Learning, innovation and development—this is not a simple mathematical or scientific formula, but a system of evolutionary process. Education is the only means to achieve this evolution, because assimilation of knowledge, drawing on the experience of others and innovation involve not only policy-makers and scientific and technical elite, but also the whole nation and

the entire country. Only through promoting national education in a systematic way, can this be done. Otherwise, even the few things one has learned will be useless and cannot be turned into productive forces, generate creativity in production practice, or be transformed into national wealth through assimilation and development. Historians believe that during the late Japanese-Russian war Russia actually was defeated by Japan's good basic education. This is no exaggeration. In modern times Japan decided to build up its country through education, which enabled it to dominate Asia. West Germany's industrial take-off and Japan's economic "miracle" after World War II are inseparable from their systematic lifelong national education. Today, as science and technology make daily progress, all countries have attached importance to education. Mrs. Margaret Thatcher once said that all successful states gave prominence to education and popularization of knowledge, because experience had shown that knowledge and its effective application were important to their national prosperity. If policy-makers do not put education first in carrying out their modernization program, they will fail sooner or later. "One careless move and the whole game is lost." "China's four modernizations will get nowhere and become mere empty talk if we don't make a success of scientific and educational work."²³ "The key to achieving modernization is the development of science and technology. Unless we pay special attention to education, it will be impossible to develop science and technology."²⁴

In the present era, any country that wishes to progress must draw on the experience of others, innovate and tap the intellectual resources of its own country. It should also strengthen cooperation with the rest of the world, which is an objective requirement of large-scale modern production. Today, from the production of a small article of daily necessity to a plane to the development of a whole system of science and technology—none can be achieved without international cooperation. Ninety-five percent of the baseball gloves Americans are fond of are made by Japan. Japan buys cattle hides from the United States and transports them to Brazil for tanning, and after being processed into patterns, they

are transported back to the United States for sale. The airbus jumbo jet embodies the most advanced American and European technologies. The wings of the plane are made in the U.S., the fins in Spain, the meters in the Netherlands and Belgium, the cockpits in France; finally all the parts are assembled in France and delivered for use. The "Eureka" program and the "Star Wars Plan" also display the combined superiority in science and technology of different countries. Social projects, such as environmental protection, structural reform, economic adjustment and comprehensive exploitation of resources, cannot succeed without the participation and support of the international scientific, technical and intellectual community. Since the 1980s the pace of international economic integration and regional cooperation has greatly accelerated. The European Community now speaks with one voice in the world arena. Japan has gone all out to build up the Pacific Economic Rim. The United States has set up the North American Free Trade Area. Deng Xiaoping has put forward his dynamic policy to join the big international economic cycle, participate in cooperation and jointly exploit resources. Deng Xiaoping has the world in mind in advocating learning and making common progress through cooperation, thus discarding the outdated thinking mode in favor of a new one. He pointed out: "Self-reliance does not mean 'working alone' or 'doing all things without seeking help from others.' ... Independence does not mean shutting the door to the world, nor does self-reliance mean blind opposition to everything foreign."²⁵ Deng Xiaoping has thus charted the course for China to join the general trend of the times for international cooperation and common progress.

III. Deng Xiaoping's Thesis on International Competition Is a Major Development of Mao Zedong's Thesis on "Global Membership" and Manifests the National Resolve of Riding with the Tide

After the founding of New China Mao Zedong put forth, in November 1956, the proposition that "China's internal class contradictions have been basically solved" and asked the whole

Party to concentrate its efforts on "developing the socialist productive forces" and to build China into a powerful modern socialist country in the near future; otherwise it would be deprived of its "global membership." Mao Zedong's language is both vivid and profound, reflecting his realization of the need to face the crisis and stay ahead in competition. Unfortunately, for a long time after the late 1950s serious wrong ideas emerged in the guiding thought of the Party that led China farther and farther away from the correct path of "developing the socialist productive forces" and onto the wrong road of "taking class struggle as the key link." While China was busying itself with "cutting off the tail of capitalism," the West was engaged in fierce economic competition of science and technology, throwing China far behind.

Twenty years later China reentered the complex international economic competition, forsaking its past futile attempt of "grasping revolution and promoting production." Deng Xiaoping's thinking on international competition developed Mao Zedong's thesis of "global membership," reflecting his confidence and resolution in following the general world trend.

The importance of Deng Xiaoping's thesis on "international competition" lies in that it bases itself on analysis of realities and the principle of seeking truth from facts, solves economic problems by economic means and upholds objective laws. It has completely abandoned past practices of indulging in boasting and empty talk. He said that capitalism had been developing for several hundred years. How long had we been building socialism? Besides, we wasted 20 years. If we could make China a moderately developed country within a hundred years from the founding of the People's Republic, that would be an extraordinary achievement. We must immerse ourselves in hard work. "Given the new developments in science and technology and in international exchanges of personnel and information, our economy should be measured by world standards and must become competitive internationally."²⁶ "Unless we modernize our country, raise our scientific and technological level, develop the productive forces and thus strengthen our country and

improve the material and cultural life of our people—unless we do all this, our socialist economic and political system cannot be fully consolidated, and there can be no sure guarantee for the country's security.”²⁷ Knowing full well China's specific conditions, tasks and focus of work, Deng Xiaoping rightly put forward the major policy of participating in global competition.

Deng Xiaoping's thesis on “participating in international competition” is a political development of Olympic spirit. He pointed out that to participate in international competition has nothing to do with the past “elimination of imperialism and international reactionaries” by occupying the international arena through war or revolutionary means. It is a means by which a country can lift itself out of backwardness through developing itself. It is a demonstration of the superiority of socialism over capitalism economically and politically and represents a contribution to humanity. In April 1987 Deng Xiaoping said to a foreign guest, “On the whole, our goals are not too ambitious. We give ourselves 20 years—that is, from 1981 to the end of the century—to quadruple our GNP and achieve comparative prosperity.... If we can achieve this goal, first, we shall have accomplished a tremendous task; second, we shall have made a real contribution to mankind; and third, we shall have demonstrated more convincingly the superiority of the socialist system.... We shall have not only blazed a new path for the peoples of the Third World, who represent three quarters of the world's population, but also—and this is even more important—demonstrated to mankind that socialism is the only path and that it is superior to capitalism.”²⁸ “Everything depends on our doing the work in our own country well.”²⁹ It gives new meaning to the thesis of international competition, which complies with the historical trend of the times of peace and development and which is a feasible and practical general plan for competition.

The development of science, technology and education is a key aspect of Deng Xiaoping's thesis on international competition. After World War II a general trend towards the economics of world politics emerged. Deng Xiaoping saw the

change and timely decided on the development of productive forces as the target and pivot for international competition. He said that the superiority of the socialist system would essentially be demonstrated by whether it could bring about "greater and faster development"³⁰ of the productive forces than under the capitalist system. To develop the productive forces, we must first of all upgrade education, science and technology. At present, "there is still an enormous gap between the level of our science and technology and that of the most advanced countries, and our scientific and technological forces are still too weak to meet the needs of our modernization program."³¹ "The key to the four modernizations is the modernization of science and technology.... Without the rapid development of science and technology, there can be no rapid development of the economy."³²

Deng Xiaoping's strategic policies on international competition are as follows: Have full confidence, take an objective and pragmatic attitude, participate in competition and catch up with the advanced countries at a rapid but steady pace. The three-stage modernization program he put forward is totally different from the past headlong rush or the great leap forward, seeking quick success and instant progress. Deng Xiaoping said with full confidence, "It will be something wonderful for a country with a population of 1.5 billion to reach the level of a moderately developed country in 61 years. We should be able to attain that goal."³³

We are participating in competition in a rather complex international community and in a comparatively peaceful and stable environment. Therefore, we must have a keen sense of competition and be firm in principle but flexible in strategy. We should focus on the central task of developing the economy without losing sight of the main orientation. We should stick to it, no matter what happens. China is participating in international competition with an entirely new strategic posture. Professor Ezra Vogel of Harvard University, author of the book *Japan Number One*, said that China was full of vitality. This kind of development spirit emerged in Japan in the 1950s and

Taiwan in the 1960s. It will now boost China's economic development.

IV. Seek No Hegemony, Hold No Banner and Strive to Develop China—These Are Deng Xiaoping's Fundamental Principles Underlying China's Approach to International Relations

Marxism holds that foreign policy is an extension of internal policy, but will greatly influence the latter. First, a foreign policy initiative will inevitably produce corresponding strategic and diplomatic reaction in the international community. This will create an international atmosphere that will influence the general climate in which internal policy is shaped and adjusted. Second, the nature of a foreign policy initiative and its effective implementation have a great bearing on the success or failure and merits or demerits of internal policy.

From the time of the great leap forward to the great polemics between China and the Soviet Union, China had a distinctive system of internal and external policies. Internally, China "opposed the restoration of capitalism" and carried out "continued revolution under conditions of a proletarian dictatorship" and "taking class struggle as the key link." Internationally, China pursued a strategy of world revolution, differentiating among other countries according to their attitude towards China. As a consequence, China's social development stagnated, against the will of its people, and it also encountered all kinds of difficulties abroad. After the convening of the Third Plenary Session of the Eleventh Central Committee, our Party summed up past experience, both positive and negative, and drew lessons therefrom. At the initiation of Deng Xiaoping, our Party formulated a new modernization development strategy and mapped out the general goal and strategy for its foreign policy, thus shaping China's new approach to and strategy for international relations.

On the basis of scientific analysis of the times and the general trend of international social development, Deng Xiao-

ping pointed out that "China's foreign policy in the 1980s, actually up to the 1990s or even the 21st century, can be summed up in two sentences. First, safeguard world peace and oppose hegemony. Second, China will always belong to the Third World."³⁴ Opposing hegemony is China's consistent stand. Mao Zedong advocated a foreign policy of independence and self-reliance and made clear his view of digging tunnels deep, storing grain everywhere and never seeking hegemony. Later on, however, influenced by the ultra-"Left" line of Lin Biao and the Gang of Four, China regarded itself as the "center" of the international communist movement. Deng Xiaoping has explicitly stated that China opposes hegemony today and will never seek hegemony itself. "China shares a common destiny with all the other Third World countries; it will always belong to the Third World, even when it becomes prosperous and powerful. China will never seek hegemony or bully others, but will always side with the Third World."³⁵

China is a big country, but it will never pursue bloc politics or alliance confrontation, nor will it go in for power politics. "China's foreign policy is independent and truly nonaligned. China has adopted an entirely independent policy with no alliance with any country.... We shall not play the 'United States card' or the 'Soviet Union card.' Neither shall we allow others to play the 'China card.'"³⁶ "The aim of our foreign policy is to ensure world peace. Constantly bearing that aim in mind, we are wholeheartedly devoting ourselves to the modernization program to develop our country and to build socialism with Chinese characteristics."³⁷

The two world wars were triggered by bloc politics. During the postwar period confrontational bloc politics emerged between East and West. The North Atlantic Treaty Organization and the Warsaw Treaty Organization were like a sword of Damocles hanging over the world. Today bloc politics has reached a dead end and the two opposing military blocs have basically disintegrated. The nonaligned movement, which emerged in the 1960s, is an important force for peace. Today the nonaligned movement faces many challenges and difficul-

ties both internally and externally, but its ideas and principles still attract all peace-loving countries and peoples of the world. Though China is not a formal member of the nonaligned movement, it has all along pursued a policy of independence, nonalignment, holding no banner and opposing bloc politics. Especially after the convening of the Third Plenary Session of the Eleventh Central Committee of the Party, Deng Xiaoping extended the principles of peaceful coexistence to cover inter-party relations. He put forward four principles guiding relations between fraternal and friendly parties. China does not interfere in the internal affairs of other countries; it respects the historical choice of the parties and peoples of other countries, a departure from its past practice of indulging in ideological debates. "We must respect the way in which the parties and peoples of other countries deal with their own affairs. They should be left to find their own paths by themselves and explore ways to solve their own problems.... We object to being ordered about and we, for our part, will never issue orders to others."³⁸

The principles guiding international relations as formulated by Deng Xiaoping are not short-term in nature. They are long-term fundamental and strategic principles. First, "seek no hegemony" and "hold no banner" are not just slogans, but essential policies determined by China's historical traditions, status and specific conditions. The Chinese people love world peace and have made tremendous contributions to the peace cause of humankind. In modern history China was plagued by poverty and remained weak. It tasted to the full the miseries of being bullied by big powers. The Chinese people know very well the harm caused by hegemony and war; they therefore cherish all the more today's hard-won peace. For the sake of peace, China opposes any attempt by hegemony to disrupt peace. "To work for peace, one must oppose hegemony and power politics."³⁹ Second, China's seeking no hegemony and holding no banner does not mean non-participation or being non-cooperative. On the contrary, China advocates the development of friendly cooperation and exchanges, on an equal footing, with all other countries, political parties and organizations in

the world that treat us as equals. Third, China's nonalignment stand is different from the "scale balance" strategy pursued by the Soviet Union in the 1930s. Seeking no hegemony and non-participation were tactics adopted when the imperialists were contending for hegemony. The Soviet Union's aim was to impose its weight and hold the balance of the international "scale" at the decisive moment. China is making every effort to make itself strong and prosperous. Even after becoming prosperous and powerful, China will not bully others or contrive to form an alliance with other countries, even less to seek hegemony. It will work still harder to preserve world peace. Deng Xiaoping said, "China belongs to the Third World. It will still belong to the Third World even after it is developed. China will never become a 'superpower.'"⁴⁰ Fourth, China's policy of "seeking no hegemony" and "holding no banner" is based on its scientific assessment of the times and the general international situation and determined by the central task of its modernization program. "Opposing superpower hegemony means preserving world peace."⁴¹ Preserving world peace is in the interest of the modernization program. "China must concentrate on carrying out the economic development program, in order to build the country into a powerful, modernized socialist country. We need a peaceful international environment, and we are striving to create and preserve this environment." Deng Xiaoping has called on the people of the whole country to steel themselves, devote full attention to and concentrate all their energies on economic development. China should assume a low profile and act calmly to further develop the country, so that it can make greater contributions to the world. "China seeks to preserve world peace and stability, not to destroy them. The stronger China grows, the better the chances are for preserving world peace."⁴² It can thus be seen that Deng Xiaoping's principles guiding China's approach towards international relations are not just rhetoric, but are both practical and profound. Imbued with inherent logic and far-reaching political significance, they are the fundamental norms for preserving world peace and accomplishing the task of China's modernization.

V. Raising China's Strategic Status in World Development Is the Historical Aspiration of Deng Xiaoping, a Great Statesman in Today's World

Deng Xiaoping's theory and endeavors are all aimed at a lofty goal: Strive to raise China's strategic status in world development. With this in mind, one can understand the reason Deng Xiaoping has consistently advocated policies of reform and opening up and of making China powerful and prosperous and proposed the formula of "one country, two systems" and a series of political initiatives to preserve world peace.

China was one of four ancient civilizations. It is the only country, however, that has gone through 5,000 years of development and maintained a continuous national culture. China has a glorious history that was once the focus of world attention and exerted great influence on peace, prosperity and the development of humankind. In history, China was always a world power. Zbigniew Brzezinski, author of *The Grand Failure*, observed that until the latter part of the Ming Dynasty and the beginning of the Qing Dynasty China had been the second largest industrial power and a rich country in the world. It was the aggression of big powers and the corruption and closed-door policy of the feudal dictatorial regime that reduced China to a semi-colonial country. It suffered great humiliation. During that period some Chinese intellectuals with lofty ideals cried out for national salvation, never hesitating to sacrifice themselves for the just cause of making China a powerful country. Yet, from the political reform advocated by Kang Youwei and Liang Qichao to the "Three People's Principles," all attempts to lift China out of poverty and weakness failed.

The October Revolution made the Chinese people realize that only socialism could save China and free it from the status of a dependency. The May Fourth Movement put forth the slogan of saving the nation from subjugation and ensuring its survival, thus opening a new page in China's modern history of striving to make the country strong and powerful. After going through thick and thin in arduous, bloody struggle, lasting for

30 years, the Chinese Communists finally accomplished, in October 1949, China's "first revolution" in the present era and made the dream of many generations of Chinese people come true. Mao Zedong proclaimed to the world that the Chinese people had stood up.

In the middle of the 1950s Mao Zedong declared that China ought to make greater contributions to humankind. He called on the Chinese people to work hard, so that China could join the ranks of advanced countries in the world. Later on, however, we deviated from the path of making China powerful through development of the economy, science and technology and erroneously tried to achieve that goal by launching political movements, carrying out world revolution, combating and preventing revisionism, etc. Thirty years elapsed, and when it faced the world again, China found that the gap between itself and the developed countries had widened. In the world today, if one does not race to stay in the lead in the scientific and technological revolution or strive to achieve economic development and increase overall national strength, one will sooner or later lose the competition.

Since the founding of New China its international status has undergone three stages of development: In the 1950s, when the world was divided into two antagonistic camps, China was an important member of the socialist camp; from the 1960s to the 1970s China found itself in the predicament of making an "all-out attack" against both the United States and the Soviet Union; after the 1980s China was somewhat in the middle among the five major forces in the world. It was the weakest link in the triangle of relations among the United States, the Soviet Union and China, yet it was in the best position to launch initiatives. Henceforth, taking advantage of the reform and opening-up program, China adjusted its strategic goal in international relations and upgraded its status as a major political power of peace. This status has generally been recognized throughout the world today. Deng Xiaoping said, "The Chinese people have stood up. They are no longer second-class citizens in the world." This is China's "second revolution" in the present

era.

With the deft skill of a global strategist, Deng Xiaoping has taken daring diplomatic initiatives and mapped out a blueprint for building an economically developed China with advanced science and technology. He pointed out: "China is still poor, with a per capita GNP of only US\$ 300, but we have the ambition to increase it to US\$ 800 by the end of the century."⁴³ "China is a major country as well as a minor one.... China's economic development is at a comparatively low level, which is not commensurate with its status as a country with such a huge population and vast territory."⁴⁴ Therefore, the key to building China into a powerful country is to develop its economy, science and technology, so as to make it a developed country within 20 years.

The most important feature of Deng Xiaoping's thinking on building China into a powerful country is that its goal is feasible, neither aiming too high nor divorced from reality. In order to achieve this goal, he has put forward a complete set of principles, including "one central task and two basic points," "one country, two systems," reform and opening to the outside world, developing science, technology and education, among other things. These major strategic ideas are component parts of Deng Xiaoping's endeavor to make China strong and prosperous. In their implementation we oppose formalism. People can reserve judgment and try things out. If anything goes wrong, it will be put right promptly, but the general policy remains unchanged. He has devoted all his energies to raising China's status in the world. Deng Xiaoping pays attention not only to China's favorable international strategic position, but also to the impact of the scientific and technological revolution as well as economic development in the world. He pins his hope for a powerful China on rapidly catching up with the developed countries. Embracing the international competition of the 21st century, he has led the Chinese people with full confidence in taking up the challenge of the 21st century. "In general, we believe that the course we have chosen, which we call building socialism with Chinese characteristics, is the right one."⁴⁵

Notes

1. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, p. 77.
2. *Ibid.*
3. *Ibid.*, p. 54.
4. *Ibid.*, p. 67.
5. *Ibid.*, p. 105.
6. *Important Speeches of Deng Xiaoping* (February-July 1987), People's Publishing House, 1987, p. 32.
7. *Selected Works of Deng Xiaoping* (1975-1982), People's Publishing House, 1983, p. 87.
8. *Ibid.*, p. 140.
9. *Ibid.*, p. 29.
10. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, p. 117.
11. *Ibid.*, p. 20.
12. *Selected Works of Deng Xiaoping* (1975-1982), People's Publishing House, 1983, p. 178.
13. *Ibid.*, p. 31.
14. *Ibid.*, p. 28.
15. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, p. 68.
16. *Selected Works of Marx and Engels*, Vol. 1, People's Publishing House, p. 225.
17. *Selected Works of Deng Xiaoping* (1975-1982), People's Publishing House, 1983, p. 83.
18. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, p. 147.
19. *Selected Works of Deng Xiaoping* (1975-1982), People's Publishing House, 1983, p. 87.
20. *Ibid.*, p. 88.
21. *Ibid.*
22. *Ibid.*, p. 83.
23. *Ibid.*, p. 65.
24. *Ibid.*, p. 37.
25. *Ibid.*, p. 88.
26. *Ibid.*, p. 234.
27. *Ibid.*, p. 83.
28. *Important Speeches of Deng Xiaoping* (February-July 1987), People's Publishing House, 1987, pp. 22-23.
29. *Selected Works of Deng Xiaoping* (1975-1982), People's Publishing

- House, 1983, p. 204.
30. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, p. 53.
 31. *Deng Xiaoping on United Front*, Central Literature Publishing House, 1991, p. 142.
 32. *Ibid.*, p. 137.
 33. *Comrade Deng Xiaoping on Reform and Opening Up*, Chinese People's University Press, Oct. 1990, p. 123.
 34. *Deng Xiaoping on Reform in Contemporary China*, Chinese People's University Press, Oct. 1990, p. 279.
 35. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, p. 27.
 36. *Ibid.*, p. 28.
 37. *Ibid.*
 38. *Selected Works of Deng Xiaoping (1975-1982)*, People's Publishing House, 1983, p. 279.
 39. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, p. 27.
 40. *Ibid.*, p. 64.
 41. *Ibid.*, p. 95.
 42. *Deng Xiaoping on Reform in Contemporary China*, Chinese People's University Press, Oct. 1990, p. 277.
 43. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, p. 28.
 44. *Ibid.*, p. 64.
 45. *Ibid.*, p. 39.

Chapter 10

The Scientific Value, Historical Role and General Features of Deng Xiaoping Thought and China's Future Social Course

For the Chinese nation, the 20th century has been an epoch of stupendous political and social changes. Engels was right in saying that when the times and society so demand, great personalities emerge who take the lead. As the world came into the 20th century, Dr. Sun Yat-sen, holding high the banner of democratic revolution, led the overthrow of China's 2,000-year-old imperial feudal system. Following in his steps, Mao Zedong, in a display of extraordinary leadership, brought a chaotic and divided country under the unified central government of the People's Republic of China. As the century is about to conclude, Deng Xiaoping has led the Chinese nation in embarking on a second revolution, the great and far-reaching significance of which cannot be overestimated. If China can stick to the course pioneered by Deng and his thought, it will turn itself into a powerful and modernized socialist country in the East and make still greater contributions to humankind.

I. Deng Xiaoping Thought and the Underlying Theme in Contemporary World Thinking

As the leader of a large country, Deng Xiaoping focuses not only on domestic Chinese issues, but also on a series of long-range strategic issues of global concern. Among them are such key themes as war and peace, development and stability, South-South cooperation, North-South dialogue and "one world, two systems." Solutions to these issues bear significantly on the

present and future state of the world and the welfare of human civilization. In addressing these issues, Deng Xiaoping demonstrates a high sense of responsibility and a cosmopolitan approach characteristic of himself, the Chinese nation and the People's Republic of China as a member of the international community. In this great contemporary ideological debate Deng Xiaoping has attracted worldwide attention as a senior, world-class statesman, and China, thanks to him, has acquired a new image on the international stage.

First, on how to approach global issues. Marx predicted long ago that all history would eventually become world history. Indeed, since the end of World War II, with rapid scientific and technological development, there has been a conspicuous growth in the economic, political and cultural interdependence and interaction among countries. Given the integration process of the world economy, China's development cannot be separated from the development of the world and the solutions of global issues; they presuppose and complement each other. As a far-sighted strategist, Deng Xiaoping stands firmly on Chinese soil and looks squarely at the world and into the future, seizing the political high ground of the times and grasping the key themes of the world. In his view, peace and development constitute the underlying theme of the present-day world.

In March 1985, in a meeting with a delegation from the Japanese Chamber of Commerce and Industry, Deng Xiaoping made remarks on peace and development as the two major issues in the world today. He said, "Generally speaking, the forces for world peace are growing, but the danger of war still exists. Not much progress has been made in the talks on the control of nuclear arms and of weapons in outer space. That is why for many years we emphasized the danger of war. Recently, however, there have been some changes in our view. We now think that although there is still the danger of war, the forces that can deter it are growing and we find that encouraging."¹ World peace is hopeful because the people in Japan, Europe and throughout the Third World all detest

war. On March 28, 1988, in a meeting with Mr. Nikaido, deputy head of Japan's Liberal Democratic Party, Deng Xiaoping elaborated his points. He said, "Whether world peace can be maintained depends, in the final analysis, on the degree of development of the Third World. The Third World is most desirous of peace, without which there can be no development. If China attains a 'comfortable living standard' by the end of this century, the forces against war will grow considerably. If, after another thirty or fifty years, China reaches a level close to a developed country, then war is even less likely to occur, though it cannot be totally ruled out."² On May 12, 1987, in a meeting with Prime Minister Rund Lubbers of the Netherlands, Deng Xiaoping pointed out that in his view, "prolonged peace is possible and war can be averted."³

Related to peace is development. Deng Xiaoping pointed out that development is a fundamental issue whose "core" is the economy. The ultimate cause of changing international relations lies in the growth of productive forces, and the status of a state in the international community hinges mainly on its comprehensive national strength. International competition is the competition of national strength among states. Those who maintain the lead in productive forces, primarily science and technology, will hold significant economic power, which will give them the edge in international relations and a greater say in world affairs. This is a historical law that is independent of man's will.

Obviously, Deng Xiaoping has grasped the key question that dominates international relations from a kaleidoscope of issues in the world.

In today's world, economic development has become a trend of the times. A country's fortune, good or bad, depends on its capacity to compete with others in economic, scientific, technological and cultural fields. Therefore, all countries, whether developed or developing, have made economic development their basic state policy and tried hard to secure an advantageous position technologically for the next century. All countries

desire a peaceful and stable international environment, for a destructive war would call into question human survival, to say nothing of development. If the Third World, China included, succeeds in developing itself, the forces that deter war and uphold peace will become far stronger, giving a greater guarantee for world peace and stability in international relations.

Second, on a new international political order. Since the beginning of the 1990s the international scene has gone through some drastic changes, so much so that the pattern of international relations shaped in the wake of World War II has been fundamentally transformed. These historical and paradigmatic changes have ushered the world into a transitional period, posing challenges that demand answers from every world-class statesman. As the late R. Pessi of the Club of Rome pointed out, we are in a new era different from previous ones. We have taken on new and unprecedented responsibilities. If we are ignorant about what is happening in the world, are shortsighted or behave irresponsibly, we face a catastrophic future.

People must face the future and take responsibility for their own destiny.

In his talks with foreign visitors in recent years Deng Xiaoping on quite a few occasions called for the establishment of a new international political order, based on the Five Principles of the Peaceful Coexistence, to replace the existing one. This is an initiative of vision and historical importance. It was put forward against the backdrop of the collapse of the postwar power configuration and the failure of hegemony and power politics worldwide. Establishment of a new international economic order was also put on the agenda, as a way to change the irrationality of the existing one.

This idea of Deng Xiaoping's is highly challenging, given the rapidly shifting world scene. It serves the fundamental interests of the world's people and conforms with the historical tide for peace and development.

Deng Xiaoping's conclusion that peace and development are the two global issues of strategic importance does not suggest that they have already been resolved. Rather, he calls

on the world's people to strive to achieve the goal of peace and development. While calling for the establishment of both a new political order and a new economic order,⁴ he argues that the developed countries should also see the need for the new order, because "in the long run, the prosperity of the developed countries cannot be maintained while backwardness continues in the developing countries." He said, "The Five Principles of Peaceful Coexistence should serve as the norm governing the settlement of both political and economic problems in the world."⁵ China is always ready to make its own contribution to humankind. As a well-known world statesman, Deng Xiaoping offers vision and insights on such issues as peaceful coexistence, common prosperity through cooperation, one planet, two systems, as well as China's road to modernization. What he has said not only embodies his sense of responsibility to history but also offers specific formulas for the settlement of global issues.

II. The Thinking and Practice of Deng Xiaoping Have Charted the Right Course for China's Social Development and Produced a Strong Impact on the Overall International Scene

As the paramount leader of post-Mao China, Deng Xiaoping has focused most of his energy on two things since the Third Plenary Session of the Party's Eleventh Central Committee in late 1978. The first is to achieve China's modernization through reform and opening up, the vigorous development of productive forces and the building of socialism with Chinese characteristics. The second is China's reunification, based on the formula of "one country, two systems." Deng Xiaoping's thinking and practice are most creative, charting the right course for China's social development and winning worldwide acclaim. He is recognized both at home and abroad as the chief architect of China's reform and modernization program. The great experiment under his leadership has also had strong impact on the overall international scene.

In the period spanning more than half a century, from the Opium War to the birth of the Chinese Communist Party,

China produced many outstanding figures, such as Lin Zexu, Tan Sitong, Kang Youwei, and Sun Yat-sen. They all had blueprints for a strong and prosperous China, yet for one reason or another they all failed to turn their blueprints into reality. Mao Zedong, who pioneered a unique road of revolution based on rural areas and the peasantry, succeeded in winning power and bringing China into socialism through conducting the New-Democratic Revolution. Unfortunately, China failed to make a smooth transition from revolution to reconstruction in due course, thus losing many opportunities for modernization and, eventually, falling into the abyss of the "cultural revolution."

After 1978 Deng Xiaoping, in a display of extraordinary courage and resourcefulness, put to an end to the "cultural revolution" and the outdated guiding ideology of "taking class struggle as the key link," thus charting a new course for China's social development. The biggest question facing China in the 1980s was to find a way out, so that this country of economic and cultural backwardness could embark on the road to modernization, a question that bore on the future and destiny of China. The answer put forward by Deng Xiaoping and the deep thinking behind it demonstrates his wisdom and vision as a great architect.

He shifted the orientation of work of the Party and state to economic development. He called for reforming the country's social management structure. He formulated the strategy of opening to the outside world. With a firm hand, he changed the direction of China's history. The thinking and practice of Deng Xiaoping have not only been enthusiastically received by Chinese inside or outside the Party, but also won him high international prestige. He was described as the man that changed the face of China after Mao, one of the greatest leaders and strategic thinkers of our time. Deng Xiaoping certainly deserves these honors.

With the rich experience accumulated during the decade of reform and opening up, China has developed a complete set of theories of building socialism with Chinese characteristics. For instance, the theory of opening up provides such specific mod-

els as special economic zones, coastal open cities and open areas in the hinterland, giving China a new dimension in the world. This is unprecedented. With opening up, China has fully integrated itself into the international community. Only now has China truly become a member of the world family. By adopting an approach of extensive involvement in mutually beneficial cooperation, China has boosted its economy and increased its influence in the world economy. The enormous potential of China's market and the part it can play in maintaining global economic health have been appreciated by an increasing number of people in the world. As Helmut Schmidt, former chancellor of West Germany, commented, China's reform is by far the greatest experiment in the entire economic history. The global economy is now undergoing significant changes. All countries, whether developed or developing, are carrying out adjustment and reform of their economy. Although not all are successful, these innovative moves deserve appreciation. Against such a backdrop, China's success has undoubtedly produced a tremendous positive impact on the direction of the global economy. No wonder US Secretary of State Christopher commented in an article that China's reform will reshape the world. Such comments are being heard more and more throughout the world.

China's reform once again proves that socialism recognizes no fixed model. Only by proceeding from its own reality and establishing an economic and political structure suited to its national characteristics, can a socialist country give full play to the superiority of the socialist system. China's success has enriched the practice of economic reform in socialist countries.

The economic reform in China has already produced an impact on the economy in the Asia-Pacific region, which is known for its unrivaled vitality. Shifts in the world market have highlighted the enormous economic potential and cultural dynamism of this region. China, with its rich natural resources and market potential and its continued success in reform and opening up, will have an ever-increasing role to play in the economic cooperation of the region. China, a country with

growing strength and a principal factor for world peace, is changing the power configuration of the Pacific Basin.

China's successful experiment also serves as a useful guide to other developing countries. By doing away with national seclusion and an ideological straitjacket, China was able to double its GNP in ten years and succeeded in providing adequate food and clothing to its people. The persistent problem of shortage has basically been resolved and the living standards of the people greatly improved. Just as the World Bank commented in its report, China has set the world record in terms of the speed and scale of improving the quality of its people's life. This must be a source of encouragement and inspiration for other developing countries.

Reform and opening up have enabled China to gain access to the capital, technology and managerial expertise of other countries. As things stand now, China has developed technical and service cooperation with more than 70 countries in all five continents and established a new relationship of economic cooperation with more than a dozen countries. All this has helped promote South-South and North-South cooperation, in which China is expected to play an even bigger role.

III. Being Pragmatic, Exploratory and Revolutionary and Meeting the Needs of the Times Are the General Characteristics of Deng Xiaoping Thought

The importance of China's much acclaimed "second revolution," which started in the late 1970s and features reform, opening up and socialism with Chinese characteristics, cannot be appreciated without mentioning the name of Deng Xiaoping. Deng Xiaoping has influenced in a number of ways. He made policies and gave guidance. He also made decisions on specific issues in day-to-day operations. But his most important contribution to China's modernization, in the general sense, is his ideas: Deng Xiaoping Thought.

Unlike a theorist in the pure sense of the word, Deng Xiaoping is a statesman and his thoughts are conveyed mainly

by such vehicles as political decisions on, policies and analyses of and observations on important domestic and international issues. They are usually brief, explicit, inclusive, sharp and rich in connotation, consistent with his political style. The general characteristics of Deng Xiaoping Thought can be described as being pragmatic, revolutionary and exploratory, meeting the needs of the times.

First, being pragmatic, which is the line that goes through the entire tapestry of Deng Xiaoping Thought. Seeking truth from facts, not from books or instructions of a superior, gives expression to Deng Xiaoping's pragmatism. His famous saying—I don't care whether the cat is black or white, as long as it can catch mice—best conveys the spirit of this approach. In 1977 and 1978, when people in China were still fettered by ossified thinking, Deng Xiaoping took the lead in calling for comprehensive and accurate understanding of Mao Zedong Thought and in resisting the two "whatevers." He lent powerful support to the great debate aimed at promoting the thesis that "practice is the sole criterion of judging truth."

Deng Xiaoping's pragmatism is derived from the Party's long tradition of "seeking truth from facts." He believes that herein lies the quintessence of Mao Zedong Thought. It is the "foundation of the proletarian world outlook, the ideological basis of Marxism. We must continue to rely on this for achieving modernization just as we did for winning victory in the revolution."⁶ He stresses the need for proceeding from reality in modernization. He says, "Modernization must be based on China's reality. Whether in revolution or economic development, we must draw on the experience of other countries, but we shall never succeed if we copy blindly other countries' experience or models. There is no lack of lessons in this respect. Combining the universal truth of Marxism with the concrete practice of China, blazing our own trail and building socialism with Chinese characteristics is our basic line, defined after summing up our historical experiences."⁷

Deng Xiaoping's pragmatism has permeated his thinking

and practice over the past ten years or more, starting from the comment on "cat" to the "criterion of truth" debate, "socialism with Chinese characteristics" and "one country, two systems." It was pointed out in the political report of the Party's Thirteenth National Congress that in the shaping and development of the Party's basic line, in the decisions on a number of key questions, and in economic development, reform, opening up and setting up of special economic zones, Deng Xiaoping made important contributions with his courageous theories, pragmatism, rich experience and extraordinary insight. This appraisal is most appropriate.

Second, being able to meet the needs of the times. Deng Xiaoping points out that the world is dynamic and so is the development of science and technology. One cannot call himself a true Marxist if he cannot carry forward and develop Marxism with new ideas and new views. Deng Xiaoping Thought, in a nutshell, is a Marxist theoretical system developed by the present-day Chinese Communists, headed by him, with new ideas and new views. Being an open system, Marxism is a science that develops constantly with the passage of time and through the practices of revolution and reconstruction in various countries. The world saw tremendous changes during the 100-odd years after the death of Marx. China has also undergone rapid changes since the passing of Mao Zedong. It is therefore necessary to apply the basic theories of Marxism in addressing new situations and tackling new problems.

Deng Xiaoping bases himself firmly on realities as he addresses the issues of China today with Marxism as his weapon. He also draws on the accomplishments of contemporary civilizations. By doing so, he is able to come up with new theories and ideas that reflect the very essence of the times. Indeed, his thought is Marxism, guiding China's modernization.

Third, being revolutionary. Theory originates from society but can also reshape society. China's great transformation gave birth to Deng Xiaoping Thought, but his thought set in motion China's social transformation.

Since the Third Plenary Session of the Party's Eleventh

Central Committee Deng Xiaoping has put forth a series of creative views and policy proposals, based on his courageous and pragmatic exploration, pertaining to China's modernization drive, reform and opening to the outside world. His ideas, discoveries and theoretical breakthroughs give expression to the revolutionary nature of Deng Xiaoping Thought. At the strategic level, he calls for proceeding from reality in everything we do, building socialism with Chinese characteristics and taking a three-step approach in pursuing reform and economic development. At the operating level, he defines peace and development as the two major themes of the present-day world, proposes the formula of "one country, two systems" for China's reunification and, from this, the strategic thinking of "one world, two systems." Either in terms of China's development strategy, based on Mao Zedong Thought, or in terms of the development strategy of any country in the world, these ideas truly stand as revolutionary. In the words of some foreign observers, Deng Xiaoping has proved himself a successful peaceful revolutionary.

Fourth, being exploratory. Deng Xiaoping Thought is best known for its theory on reform and opening up. China's reform is an unprecedented undertaking. There is no example to follow and no ready road to take. In advocating "a course of our own," he takes an exploratory approach. He once said that we have not fully understood what socialism is, hence there is the need for exploration and experimentation. Reform is in itself an experiment, a courageous, important and great experiment. From a global point of view, China's reform is also a significant experiment, an effort to blaze a new trail.

How to make headway in exploration? Deng Xiaoping's answer is "taking daring but steady steps." We must be bold enough to try, to blaze a new path. How can we find a way to rejuvenate China if we are afraid to take risks and reluctant to press ahead? These views of Deng Xiaoping's give full expression to the revolutionary courage and the spirit of probing one's way forward of a great proletarian statesman.

IV. Deng Xiaoping Thought Is the Theoretical Basis of the Evolution of China's Future Social System and China's Modernization

Modernization is a process of profound social transformation, an extensive reform of society in its political, economic and cultural dimensions. To ensure the smooth conduct of this process, it is necessary to give constant theoretical support and guidance as the process evolves. This is crucial not only to the direction of modernization, but also to its success.

Deng Xiaoping Thought is profound in that it grasps the pulse of Chinese society in transition and creates a theoretical framework for China's modernization.

Modernization does not mean just economic growth. It means an overall transformation of society in all its dimensions. After the Second World War a number of colonies achieved independence and accorded top priority to the development of their economy in order to quickly change their backwardness. For people struggling on the verge of starvation, this approach was a highly attractive and perhaps the only option. However, changes in other dimensions of society have not enthusiastically been pursued. As a result, the economy has not achieved the expected takeoff.

In charting the course for China's modernization, Deng Xiaoping not only stressed the role of productive forces and economic development, but also paid attention to the coordinated development of the economy, society and culture. Back in 1979, Deng Xiaoping pointed out, "We must, while building a high degree of material civilization, raise the scientific and cultural standards of our whole nation, cultivate a lofty and colorful cultural environment and develop a high degree of socialist moral civilization."⁸ His proposal that people foster lofty ideals and moral integrity, become educated and cultivate a sense of discipline gives a comprehensive summary of the key elements of moral civilization. Modernization involves not only material development but also people. Without the modernization of people, there can be no material modernization. With

this in mind, Deng Xiaoping observed, "Education should be aimed at modernization, the outside world and the future."⁹ "If one pays attention only to economic development to the neglect of education, then he has not shifted his focus of work properly."¹⁰ This shows how much emphasis Deng Xiaoping lays on the development and modernization of people. Deng Xiaoping's thesis of "being strong in both aspects," namely, both material civilization and moral civilization, both development and legality, and both developing the economy and fighting crime, reflects his conviction that modernization is a system and development a multidimensional process and his desire to bring about a coordinated development of various social factors while focusing on productive forces. All this is designed to develop a well-structured and well-coordinated social system together with its operational mechanisms with a view to modernizing the entire Chinese society.

In a sense, modernization involves changes in the internal structure of a society. Without changes in the old structure, including its organizational setup, there can be no economic and social development. The biggest challenge facing China's modernization is how to introduce changes in existing institutions. In Deng Xiaoping's words, reform is a revolution for institutional changes, a transformation and renovation involving the country's economic, political, educational, scientific and technological administration and management structures. At the outset of the reform Deng Xiaoping said, "Even a great personality like Mao Zedong was affected by the flawed institutions of his time, which caused tragedies to the Party, the country and himself. If we are still reluctant to improve our socialist institutions, people will doubt whether socialism can solve some of the problems that capitalism has already solved. Such comparison may be a little far-fetched, but we must not overlook this issue. Stalin was guilty of seriously undermining the rule of law under socialism. Mao Zedong said that similar incidents could not possibly have happened in Western countries such as Britain, France or the United States. Even though he realized this, he failed to solve the question of institutions of leadership. As

a result, China slipped into ten years of turmoil. This is indeed a very profound lesson. There is no denying that certain individuals had their share of responsibility for what happened. Yet the institutions of leadership and organization are more fundamental to overall and long-term stability. The issue of institutions should be given close attention by the whole Party, as it bears on whether or not the Party and state will change color."¹¹ Deng Xiaoping's position on institutional reform is very clear. The central idea that cuts across all the areas of institutional reform, political, economic, management, personnel, science, technology, cultural, educational, is the establishment of institutions and organizational setups that are compatible with modern production and the modernization process.

Institutional reform is crucial in that both material and moral civilization need an institutional framework as their underpinning. The challenge in modernization lies in the creation of a modernized institutional structure on top of the relations of production, a socialist institutional framework that is superior to the capitalist one. Many authorities on modernization point out that the key to modernizing a country's economy is not the amount of resources, funds or manpower available, but a rational organization and its effectiveness. Therefore, the success of our reform hinges on whether we can create a socialist institutional framework featuring a modern and rational structure in the economic, social, political and cultural domain. Here, Deng Xiaoping's ideas about institutional reform have provided a sound starting point.

V. A Long-Term Choice of China's Social Development Strategy

Development strategy pertains to development goals, guidelines and programs adopted to meet the objectives of modernization. The choice of development strategy, therefore, has a direct bearing on the objectives of modernization.

The philosophy behind China's modernization efforts has deep roots in the country's long past. Self-strengthening, as one

often heard in modern China, was just another call for modernization. After the establishment of the People's Republic this goal was enthusiastically pursued. The most popular understanding of the term is modernization of the country's industry, agriculture, national defense, science and technology, with industrialization as the core of both the theory and practice of modernization. This understanding obviously has certain limitations. For a long period of time, many developing countries stressed economic growth to the neglect of other aspects in defining their modernization objectives. China, for example, set great store by its economic growth rate, despite the above four areas having been identified. It is perfectly natural for economically backward countries to stress higher growth, yet excessive emphasis on it to the neglect of other aspects should be avoided. In fact, such an exclusive approach will not meet its designed objective, because economic growth is conditional on many other social factors. It should be pointed out that growth and development are not the same thing. Growth means progress without concomitant major social changes. It is often the concern of developed countries that have already achieved modernization. Development is different in that it comes with tremendous social changes—urbanization, further division within the social structure, scientific and technological development, popularization of education, expansion of the mass media, changes in popular thinking, population control, as well as economic growth along with industrialization. This is the unique problem facing developing countries.

Reform has enabled us to abandon the past development strategy that put undue emphasis on growth and formulate a new and comprehensive social development strategy. This significant initiative was undertaken by Deng Xiaoping after summing up past experience and lessons, carefully studying both China's national condition and the state of the world's economy and taking into account the thorough consideration of the Party's collective leadership. No doubt, the personal character of Deng Xiaoping as a strategist, his unique creative thinking, his imagination and foresight, all contributed to this important

policy change.

On April 30, 1987, during his meeting with Spanish Deputy Prime Minister Alfonso Guerra, Deng Xiaoping gave a clear elaboration of China's three-step development strategy. He said, "The nine years since the Third Plenary Session of the Party's Eleventh Central Committee, convened in late 1978, represent the first step. Our original goal for this step was to reach a per capita GNP of 500 US dollars by doubling the 1980 figure of 250 US dollars. The second step was to double it again by the end of the century, reaching 1,000 US dollars. When this goal is attained, the Chinese people will shake off poverty and lead a comfortable life. With a GNP of over one trillion US dollars, though still quite low in per capita terms, China's national strength will increase considerably. The goal we set for the third step, which is a lot more important, is to quadruple the GNP in thirty to fifty years, reaching roughly 4,000 US dollars per capita."

Thus Deng Xiaoping formulated a development strategy for 70 years, from the beginning of the 1980s to the middle of the next century. It marks the maturity of Deng Xiaoping's strategic thinking on China's modernization. These views were absorbed into the political report of the Party's Thirteenth National Congress and formally presented as the Party's strategic task. Two features of this strategy stand out.

First, the goals of our modernization drive for an extended period of time are quantified, concretized and clearly defined. A development strategy must contain a clear orientation and goals. By setting these goals against an international backdrop and using developed countries as a reference, such a development strategy is significant in both theory and practice to us, a socialist country belonging to the developing world.

Second, the goals of the development strategy are defined in terms of rising living standards for the people. There are many ways to measure modernization. Deng Xiaoping uses the per capita GNP and its rapid increase as the goals for China to pursue in this and the next century. His use of the term "comfortable life" has profound truth. For countries that de-

pend on export of raw materials or on foreign capital, raising the per capita GNP alone is hardly adequate for modernization. Even for China several decades ago the importance now attached to the per capita GNP would not have been appropriate. It would not have been bad policy, but it would have been hollow, because raising the per capita GNP was then conditional on far more important things—national independence, political stability and a certain level of industrialization. Today, as all these conditions are available, raising the per capita GNP rapidly in China, a big country with considerable international standing and a complete industrial system, a country that enjoys national unity and political stability, would be not only an inspiring call, but an important cause with specific contents.

The term per capita GNP is a reflection of a country's aggregate strength. A per capita GNP of 1,000 US dollars by the end of the century and of 4,000 US dollars by the middle of the next century contains a great deal of information, such as relations among agriculture, light industry and heavy industry, rationalizing industrial structure, allowing some people to get rich first, developing high-tech products, modern management, economic efficiency, developing a commodity economy, etc. At the same time, political democratization and social stability, modern education and changes in people's thinking, changing lifestyles and the urbanization process, the reshaping of social structure, and much else will also get into the picture. In other words, the goals expressed in per capita GNP can be reached only when economic development and social development are sufficiently coordinated. The term, therefore, is a useful indicator highly comprehensive in nature. No other term is adequate to serve as an indicator in China today.

Modernization follows its own laws. One will gain initiative if one can grasp these laws. If not, even though one may try very hard to imitate, one will still fail tragically. By using "comfortable life" as the goal for the second step of modernization, Deng Xiaoping indeed gets to the heart of the question. With a per capita GNP of 1,000 US dollars, the consumption level will be several times higher than that of 1980. At such a

level, although goods for subsistence consumption will continue to be the mainstay, industrial goods used for development purposes will take a larger share. This will help China avoid the dilemma of "growth without development," as experienced by many developing countries. Moreover, it will help combine material development with development of people and make higher living standards and human development the ultimate goals of the modernization strategy. The very purpose of socialism is the all-round development of people. By integrating socialism with Chinese characteristics and modernization, Deng Xiaoping added a unique feature to China's development strategy. It is beyond doubt that with the successive realization of the goals for the second and third step, China will take on an entirely new look. We can safely predict that by then China will have entered the modern era, although we cannot say that it will have completed modernization.

Notes

1. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, p. 95.
2. *People's Daily*, March 29, 1988.
3. *Important Speeches of Deng Xiaoping* (February-July 1987), People's Publishing House, 1987, p. 29.
4. *People's Daily*, Sep. 21, 1988.
5. Xinhua News Bulletin, Sep. 19, 1989.
6. *Selected Works of Deng Xiaoping* (1975-1982), People's Publishing House, 1983, p. 133.
7. *Ibid.*, p. 372.
8. *Ibid.*, p. 180.
9. Deng Xiaoping, *Building Socialism with Chinese Characteristics* (revised edition), People's Publishing House, 1987, p. 21.
10. *Since the Thirteenth National Congress of the Communist Party of China*, People's Publishing House, 1991, p. 719.
11. *Selected Works of Deng Xiaoping* (1975-1982), People's Publishing House, 1983, p. 293.

Chapter 11

Deng Xiaoping Thought and the Modern Socialist Movement

The world's socialist movement now finds itself at a critical time. For the past 70 years and more, despite spectacular achievements and a wealth of experience gained in the socialist movement, serious errors have been committed, the experiences often bitter. As the 20th century comes to an end, socialism is at a low ebb worldwide, the result of an interaction of various factors. Some countries have gone off the road of socialism, and the socialist movement has suffered major setbacks. What is socialism, after all? Is it rational and inevitable? What is the reason for socialism's current decline? What future is there for socialism? Will socialism see a renaissance? These fundamental questions call for scientific answers. Various forces in the world have come up with answers based on different theories. Not unlike the blind men trying to describe the elephant, each has a story to tell. History has once again raised the issue of our times, that of re-understanding socialism and capitalism and their mutual relationship. It has become a heatedly debated issue in human thinking. It is against such a backdrop that Deng Xiaoping Thought has come into being, developed and taken its current shape. The thought is the outcome of scientific exploration of the above issues and represents an advanced level of theorizing about modern socialism and the correct orientation of its practical development. Studying the fundamental issues facing modern socialism in accordance with Deng Xiaoping Thought will help us recognize and understand its scientific value and historical status and is highly necessary for the advancement of socialist theory.

I. Deng Xiaoping Thought and the Theory of Advancing Socialism

There has long been a tendency in socialist countries of addressing the advancement of socialism without focusing on such objective economic criteria as the development of productive forces. The socialist system and theory patterned on the Soviet model were widely used as a yardstick to determine whether socialism had been established. This led to prolonged negligence of the development of productive forces in practical work, negligence of the improvement of socialist institutions in light of growth of modern and socialized productive forces and a persistent tendency to judge real life against some ossified and distorted concepts. As a result, socialism fell behind Western capitalism in the economic and technological competition. Such disadvantage led to socialism's further setback in the political and ideological competition. It is thus imperative to reexamine the criteria and road leading to socialism.

In fact, whether or not one should judge socialism by the level of productive forces, the system itself or the ideology has always been a hotly contested issue. For Marxism and Deng Xiaoping Thought it is the level of productive forces and not any subjective criterion, such as social system or ideology, that holds the key in determining if socialism has been developed. This is because, first, according to historical materialism, whether a social system is rational and superior is not judged by its structure, but by its basic social functions, namely, by its ability to serve the development of productive forces and of the economy and society as a whole. The system's structure is judged mainly by its actual functions. It is not scientific to judge the merits of a social system without looking at its actual functions. The basic function of an advanced social system is to promote the development of productive forces, whereas a backward or even reactionary social system serves to restrict or destroy them. Now that socialism is an advanced social system, its advancement should result in the speedier development of productive forces. In other words, socialism is realized only

when the system has produced faster growth of productive forces. Second, the development of socialism from theory to practice shows that socialism emerged and was accepted by the people because of its original purpose of emancipating the productive forces and advancing the interests of the people and also because capitalism hampered the growth of productive forces and harmed the interests of the people. Authors of Marxist classics repeatedly emphasize that socialism's superiority over capitalism depends, in the final analysis, on its greater ability to develop productive forces, and the key to socialism's triumph in its competition with capitalism lies in its achieving greater productive forces. If, on the contrary, the interests of the people are not served, the economic rationality of socialism and popular support for it will be lost, to say nothing of implementing socialist principles. Third, the practice of socialism proves that pauperism is not socialism, still less mass poverty, special privileges or polarization. Only the gradual achievement of common prosperity is worth the name of socialism. Elimination of poverty and polarization requires, and ultimately depends on, the growth of productive forces. If socialism is unable to develop productive forces, it will fail to eliminate poverty and polarization and achieve common prosperity. Such "socialism" will be fake and not scientific. Fourth, only on the basis of accelerated growth of productive forces can the principle of social justice gradually be realized and cultural progress genuinely be made. In the meantime, social justice and socialist cultural progress will serve the development of productive forces.

Using the standard of productive forces, Deng Xiaoping came to the conclusion that socialism that could offer no more than subsistence living was "not a qualified one." Only when socialism has attained the level of development of the Western capitalist nations and the people enjoy common prosperity, can it be considered qualified socialism with the socialist principles fully implemented. This, however, does not mean that socialism cannot be pursued or socialist principles cannot be applied when productive forces are at a rather low level. By taking up the

modernization tasks that ought to be accomplished by capitalism, socialism has demonstrated its increasing adaptability; it adds glory to socialism. Even if socialism has not achieved modernization, being at its primary stage, so long as it is committed to developing productive forces and has developed productive forces by using more scientific, more democratic and more effective methods than capitalism has, it is on its way to becoming reality.

Another question closely linked to the issue of criteria for advancing socialism is whether socialism can be built at all. To answer it, one must first clearly define socialism. As socialism is growing, people "have not been quite clear," as Deng Xiaoping put it, about what socialism is. Many principles and institutional elements of socialism still need constantly to be modified, improved and developed in practice. To get a clear grasp of the nature of socialism is of the utmost importance. According to Deng Xiaoping, in essence, socialism is to emancipate and develop productive forces and gradually achieve common prosperity. This is the fundamental requirement of socialism, to which all other institutional and theoretical principles must be subordinated. Thus the question of advancing socialism can be rephrased as satisfaction of that fundamental requirement. Many fruitful ways and means that capitalism has used to develop productive forces over hundreds of years can be utilized by socialism. By using all the ways and means human society has created in the development of productive forces, socialism will enjoy an overall advantage and thereby be better able to emancipate and develop productive forces. The people wholeheartedly support socialism, a system that brings them common prosperity. With profound popular support, socialism is bound to become a reality. Of course, the building of socialism is a process, moving gradually from low level to high level, and requires persistent efforts on the part of the people.

To meet the fundamental requirement of socialism, it is crucial to find a correct route, namely, a correct road of development. According to the experiences and lessons of the development of socialism and Deng Xiaoping Thought, the

following principles must be observed in blazing a successful trail of achieving socialist principles and goals:

—Adhere to dialectical materialism and historical materialism, and seek truth from facts. In everything we do we must proceed from reality and the actual conditions of our own country, oppose dogmatism, utopianism or notions that either distort or are imposed on scientific socialism, and develop socialist theories in keeping with the characteristics and practices of the day. Promoting productive forces and the interests of the people are essential elements of socialism, which should be used to guide other specific principles and institutions.

—Concentrate on developing social productive forces and make economic construction the focus of our work. Never must we allow this focus to be obstructed or altered, for only through the growth of productive forces will the superiority of socialism manifest itself and will socialism consolidate, grow and hold out a bright future.

—Establish a dynamic social system that reflects not only the special requirements of the fundamentals of socialism, but also the level of productive forces and the general requirements of social development, capable of and effective in regulating social behavior. We must recognize the diversity of socialist models and oppose negating a particular model that tallies with the concrete sociohistorical conditions on the ground. History has shown that it is not desirable, even extremely harmful, to dogmatize and generalize one particular model and demand its universal application in disregard of different sociohistorical conditions. As an epochal task, socialism demands the establishment of a diversified, vigorous and dynamic social system in accordance with fundamental socialist principles, the need for greater productive forces and specific sociohistorical conditions. Failure to do so will hinder the pursuit of socialist principles and hamper the effective regulation of social life.

—Adhere to and promote socialist reform and opening up. Establishing a new social system, achieving modernization by developing productive forces and enriching socialist theories require reform of the old institutions, drawing on the accom-

plishments of other nations and societies, and utilization of all available economic and social resources of the international community. We must have a correct attitude towards different schools of thought about socialism, paying attention not only to their critical analysis, but more to the absorption of the rational elements thereof. Particular attention should be given to the proper handling of our relations with the developed capitalist countries and to scientific cognition and utilization of capitalism. We should not only study and utilize the capitalist accomplishments that are part of the common wealth of mankind, but also, within certain limits, boldly utilize things and features that are capitalist in nature, so long as the development of socialism and growth of productive forces merit it. In this modern era of increasing integration of world economy and politics, any attempt to build socialism behind closed doors, contrary to the nature of socialism, is doomed to failure. Socialism has a natural tendency towards openness and reform. Its success hinges on vigorous reform and opening up.

—Correctly handle, with a view to promoting a coordinated social economic development, the relationship between the development of productive forces on the one hand and social development and the environment on the other. We must strengthen the development of socialist culture, democracy and the rule of law. In particular, priority should be given to the promotion of socialist democracy, elimination of the influence of feudalism and the overcoming of the defects of capitalism. Great effort should be made to protect the ecological environment, with attention paid to coordinating the relationship among the productive forces, society and the ecosystem and securing an overall balance among economic, social and environmental efficiency. Socialism ought to pay more attention to and do a better job than capitalism at taking up such common challenges facing human society as development, peace, the environment, etc.

The above principles may not contain all the elements essential for building socialism, yet an earnest implementation of these principles will surely help open such a promising route.

II. Deng Xiaoping Thought and the Theory of Socialist Crisis

Throughout the development of modern socialism there have been crises of one kind or another. Such crises have grown even more serious towards the end of the 20th century. No socialist who has his eyes on reality can fail to take note of it. How to correctly understand and generally overcome these crises is a major challenge facing the development of socialism, one that cries out for solution.

To study a crisis, it is necessary first to acknowledge the crisis and get a clear picture of its manifestation. Some people deny that socialism can run into a crisis. Some believe that even if socialism has a crisis, its origin is in non-scientific socialism rather than scientific socialism. Those views do not correspond to reality. The denial implies an attempt to idealize socialism and a failure to see socialism as still in the process of development. Existing socialist theories and institutions invariably contain some defects and utopianism. There is no way socialists can avoid committing errors, and serious missteps in their work may lead to serious crisis. True, the majority of crises have involved violation of the fundamentals of scientific socialism and cannot be attributed to its principles. One must also see, however, that these crises are possible because scientific socialism has not grown strong enough to check or eliminate the adverse effects and damage of non-scientific socialism or to effectively resist the penetration of alien influences; thus one cannot conclude that socialist crisis has nothing to do with scientific socialism. Such crisis does not involve inherent and insurmountable contradictions in scientific socialism, however, but is the result of the immaturity and imperfection of scientific socialism, a phenomenon that is hardly avoidable in the primary stage of scientific socialism.

Socialist crises refer to the negative state that emerges in socialist development and seriously hampers its development. They can be divided into recessive and dominant crises. Recessive crises find expression in stagnant socioeconomic develop-

ment and lack of vitality, whereas dominant crises find expression in socioeconomic turmoil, internal strife and even social breakdown. Those crises have occurred to varying degrees in every socialist state. The former Soviet Union and eastern European socialist countries experienced prolonged ossification and stagnation and the halting of socioeconomic development. Popular discontent increased, and in some countries exodus to the West by local inhabitants occurred from time to time. Large-scale social conflicts and turmoil engulfed some countries. From 1966 to 1976 China saw massive domestic turmoil and serious disturbance of normal social order and citizens' rights, which drove the economy to the verge of collapse. The result was catastrophic. By the late 1980s and early 1990s, most socialist countries in eastern Europe had changed flags, some openly abandoning socialist principles and switching completely to a capitalist system. The international socialist movement found itself in an unprecedented crisis. The crises of modern socialist states have drastically tarnished the image of socialism in the international community. Communist parties in Western countries were also weakened, and socialism dropped to a low ebb worldwide.

Genuine socialists do not deny the existence of crisis. They look at it squarely with a cool head and study, in a down-to-earth manner, its origin and ways to defuse it. In the wake of the dramatic changes in the Soviet Union and eastern Europe, Deng Xiaoping put forth a series of guidelines, such as "don't panick in the face of sudden change," "keep capacities concealed and bide one's time" and "concentrate on developing ourselves," that embody a correct, scientific attitude. If the issue of socialist crisis is analyzed in accordance with the methods of thinking that Deng Xiaoping has consistently adhered to and advocated, people will have a balanced picture of it.

Socialist crisis is a historical phenomenon that is hardly avoidable in the primary stage of socialist development and an expression of its tortuousness. It is mainly the guiding ideology and structure, instead of the fundamental system or the so-called general crisis, that herald the collapse of the system. The

causes for crises are manifold—both internal and external, objective and subjective, and in both guiding ideology and social structure. Yet internal and subjective causes are the dominant ones and are chiefly as follows:

The guiding ideology deviates from dialectical and historical materialism, as one proceeds not from facts, but from ready theories or one's own will. The cardinal principles of dialectical and historical materialism are seeking truth from facts, linking theory with practice, proceeding from reality under all circumstances and adjusting policy in accordance with time, place and conditions. Moreover, they include such principles as productive forces determining relations of production, the economic base determining the superstructure, and the latter serving the former. These principles require that we proceed from our national conditions in building socialism and constantly develop and enrich socialist theory while sticking to the fundamentals of socialism, that we keep focusing on economic development and energetically develop productive forces, and that we act in accordance with objective laws and respect objective conditions and practical possibilities. In the practice of socialist countries, however, deviations from the correct ideological line have occurred to varying degree, with dogmatism, utopianism, isolationism and impetuosity running amok from time to time. Real-life socialism was able to succeed primarily because Lenin broke free from the old theory of "simultaneous socialist victory in all countries," advocated by Marx and Engels, and initiated the new theory that socialist revolution could succeed first in an underdeveloped country. Many countries have chosen a revolutionary road of their own. Following their victory, however, they all took the same course in socialist development outlined by Marx and Engels in their classic theory based on the developed capitalist countries in Europe and America. With respect to ownership, they pursued "a higher level of public ownership that is big," negated the commodity economy or market economy and went in for all-inclusive plans, totally ignoring the huge gap between real-life socialism and classical socialism in their respective sociohistorical conditions. At the

same time, these countries adopted the form of struggle shaped in a period of "war communism" and of massive class struggle and ignored the fundamental difference between an environment of socialist development and one of war. This dogmatic and utopian tendency caused socialism to be out of touch with reality from its inception. Blockade by capitalist countries exacerbated the isolationist tendency towards building socialism behind closed doors. It also led to overexaggeration of subjective initiatives and the pursuit of excessive high speed in developing socialism. Divorcing itself from the common basis of civilization in an attempt to rocket itself into the fairyland of communism, socialism can only go astray and suffer setbacks, just as "Antaeus loses his strength when lifted from the earth." Dialectical and historical materialism, both shining theoretical achievements in human development, reflect the fundamental laws governing human and natural evolution. Whoever violates them will be punished.

In terms of social structure, the model featuring excessive concentration of power was adopted, which, as its rigidity aggravated, came into increasing conflict with socioeconomic development. The Soviet model of socialism, shaped by the specific historical conditions after the October Revolution, played a positive role in the 1930s and 1940s, and its serious defects were temporarily covered up. As socioeconomic conditions changed, such a structure became less capable of optimizing resource allocation, resulting in increased rigidity, poor efficiency and waste that made reform or readjustment an urgent need. However, that model was worshipped as orthodox socialism and promoted in other socialist states. In copying that model, some states even tragically forgot some of its positive elements, such as the role of intellectuals in economic management and the better material treatment given them, thus making the copying even less rational. Later, most socialist states tried to revamp the model, but eventually failed either to transform it or establish a new one. That model, which neither expressed socialist fundamentals nor satisfied the need for socioeconomic development, led a large number of socialist states into the

quagmire of crisis because of their failure to find a new model that could build socialism. China, in contrast, was able to achieve major progress in its comprehensive reform and thus to free itself from crisis and effectively consolidate and develop socialism.

Most socialist states were burdened by history. Inadequate socioeconomic development and feudal legacies held fledgling socialism in a constant squeeze and distortion, which touched off or aggravated socialist crises. Most socialist states began with a weak socioeconomic base and were confronted with enormous pressure for modernization and such daunting difficulties as shortage of funds, professionals, and managerial expertise and a lack of democratic awareness. This tended to give rise to impetuosity, as one became impatient with the status quo, and also to the idea of substituting things material with things spiritual. The influence of feudal legacies in socialist crises must not be underestimated. Such residues as political autocracy, cultural suppression and rigid conservatism as well as worship of economic autarky and disdain of commodity exchange and competition incessantly corrode, distort and interfere with socialism, blocking the application of socialist fundamentals. These feudal factors, by magnifying the defects in the socialist system, play a very negative role. In world history, Oriental feudalism has been particularly entrenched. It has not only retarded the rapid development of capitalism in many Oriental countries, but also stubbornly obstructed the development of socialism in these countries. For socialism to prevail over feudalism, together with its legacies, will require prolonged struggle and a high price. It is common for countries with prolonged feudalism to go through twists and turns and suffer reversals in their efforts to eradicate the feudal influence. As Deng Xiaoping pointed out, "Capitalist countries with a long feudal history—such as Britain, France, Germany, Japan and Italy—all experienced major setbacks and reversals at different times (counterrevolutionary restorations occurred in Britain and France, and fascist rule in Germany, Japan and Italy)."¹ Moreover, many socialist states, while fighting capitalism, have

neglected the struggle against feudalism. They tend to underestimate the capacity and influence of feudal remnants, which have caused much negative influence in many areas. This is a bitter lesson.

In addition to the major causes mentioned above, such factors as infantilism of socialism and lack of experience on the part of socialist forces have contributed to socialist crisis. The combined working of all these factors has led inevitably to socialist crisis. Yet because these factors can be removed gradually, we can conclude that socialist crisis can be overcome and socialism can embark on the road towards rejuvenation.

III. Deng Xiaoping Thought and the Theory of Socialist Rejuvenation

Socialist rejuvenation does not mean a superficial upsurge or geographical expansion, but a qualitative leap of the socialist movement. It can be realized when the following basic conditions are met: Socialism has overcome the crisis and formed a whole set of anti-crisis adaptive systems; socialism has fully inherited the accomplishments of human civilization, particularly those of capitalist societies, and found the correct remedy to address capitalist defects and the right road to a new system capable of promoting modernization and accelerating entry into the information age; the economy and society have been brought into a sound state of sustained, steady and coordinated development, enabling socialism to outperform capitalism in competition and to expand its positive influence in the realm of philosophical thinking and in activities of the international community, bringing hope for a better world.

Is it possible for socialism to overcome crisis and attain a sound state of development? Based on analysis of the routes of building socialism and socialist crises, we can be positive that, as a general rule of social development, socialism will move towards full rejuvenation.

That socialism will replace capitalism is an irreversible trend in the development of human history. In analyzing the

prospects of socialist rejuvenation, one must not ignore this overall trend. As human society enters the capitalist stage, socialization of production increases irresistibly. It breaks through not only national boundaries but also limits of social systems. Socialization ushers in the information age, which in turn enhances socialization. These developments come into frequent conflict with private ownership and free enterprise under capitalism, compelling capitalism to constantly readjust itself and improve overall coordination. Socialized productive forces under modern conditions are creating more and more capitalism-denying elements and pushing capitalism increasingly closer to socialism. Since socialism is the product of large-scale socialized production, it accords with the trend of social development. No matter how many setbacks it may suffer in the course of development, socialism is sure to replace capitalism and advance along with rising productive forces. Socialist rejuvenation is inevitable.

Not only does socialism represent the general future of humanity; it also proves to be the only way for developing countries to achieve modernization. Capitalism, despite its history of more than 300 years, has brought modernization to only 20-odd countries and regions, whereas over 100 developing capitalist countries remain quite backward with modernization still far beyond their reach, to say nothing of the information age. In certain developing countries capitalism has suffered repeated defeats in its struggle against feudalism. Only socialism can mobilize tens of millions of people to overthrow feudalism and colonialism and establish independent countries, thereby removing the greatest obstacle to modernization and creating conditions for it. Such socialist states are confronted with multiple challenges from modernization, the information age, feudalism and capitalism. Only by absorbing the successful experience of the advanced nations and avoiding their mistakes, creating new ways and means of development, strengthening overall coordination and bringing into full play the initiative and creativity of the people, can these countries fulfill their historic task of modernization and enter the information age.

Moreover, the people of these countries have suffered from the maladies of indigenous capitalism and aggression and plunder by foreign imperialism. Instead of enjoying the benefits of capitalist development, they have an instinctive fear, dislike, even hatred for capitalism and are attracted to and supportive of socialism. Only genuine socialism can meet their needs and arouse their enthusiasm. All these factors have caused some backward developing countries to opt for socialism. The reason socialism, which came into being in developed capitalist societies of Europe and America, has succeeded in the rather backward developing countries is that socialism meets their fundamental needs for modernization, entering the information age and comprehensive social and economic development. It is precisely on this account that socialism is sure to recover from setbacks and regain strength in those countries.

It can be established that the general trend of historical development has made socialist rejuvenation possible. Yet certain subjective conditions are needed for that possibility to become reality. To one's relief, socialist development and especially socialist crises are strengthening forces for socialism and create increasingly ripe conditions for socialist rejuvenation. Aside from the objective factors, which are still difficult to remove for the time being, the causes of socialist crises also include subjective factors that can gradually be changed, such as mistaken guiding ideology, ossified structural patterns and lack of experience. The development of socialism in general and the practice of Chinese socialism in particular hold out the hope for and the route to socialist rejuvenation. Socialist crises serve as a constant warning, exposing mistaken guiding ideologies, ossified or twisted theories and social structures and freeing people from mental bondage. Crises make people sober and give them food for thought, prompting them to sum up the past, ponder the future and search for ways to bring about socialist realization. A strong wave of emancipating the mind, accelerating reform and opening up and promoting structural renewal and modernization is emerging in China. Socialism is on the march. As Deng Xiaoping correctly pointed out during his

inspection tour in southern China in early 1992, some socialist countries had suffered setbacks, and socialism appeared to have been weakened. Yet as the people have gone through tests and drawn lessons from them, socialism will emerge stronger and develop in the right direction.

Needless to say, socialist rejuvenation does not come easily. There will be serious difficulties. In such struggle any hesitation and indecision will result in loss of precious opportunities, any empty talk and formalism will lead to nowhere, and all pessimistic, despondent, slothful and decadent tendencies must be overcome. Only by resolutely breaking with the old and creating the new, quickly readjusting and introducing new theories, institutions, structures and policies, can socialist rejuvenation proceed on a sound basis. Only through honest toil and hard pioneering work can the material foundation be laid for socialist rejuvenation. Socialist rejuvenation is, by nature, a self-revolution of socialism. It is a grand undertaking rarely seen in human history. It requires the contribution of talent, sweat, and even blood by all people committed to human progress.

IV. A Critique of Hayek's *The Fatal Conceit* and Brzezinski's *The Grand Failure*

Although the world socialist movement suffered serious setbacks in the late 20th century, even the bourgeoisie cannot deny the important fact that the socialist movement and experiment exerted a worldwide impact in this century. As human society is about to enter a new century and new millennium, various political forces and their thinkers are studying the experience and lessons of the 20th century and looking into the coming centuries for clues to human development. Of all the polemics, the most heated controversy is over evaluation of the socialist movement and its future course of development. Some bourgeois thinkers and politicians who have made socialism their mortal enemy publish articles, make speeches or give talks attacking the obvious mistakes and flaws in the socialist movement and declaring the "end" of socialism. In this wave of

negating socialism two persons have emerged as most systematic and representative in presenting their views. One is British thinker Friedrich August von Hayek and the other is the former national security adviser to President Carter of the United States, Zbigniew Brzezinski. Hayek's new book, *The Fatal Conceit—The Errors of Socialism*, came out in 1988, and Brzezinski's *The Grand Failure—The Birth and Death of Communism in the Twentieth Century* was released in April 1989. Both books present a systematic expounding of bourgeois views against socialism from the theoretical angles of philosophy, economics and political science and that of socialist practice, to prove the inevitability of socialist "errors," "failures," and eventual "collapse." There is no lack of absurdity in the two books. Suffice it to argue against their views on three questions.

The first question: Is socialist practice in the 20th century a success or failure? How to evaluate the merits and demerits of socialism?

In the opinion of Hayek and Brzezinski, socialism (communism, in the language of *The Grand Failure*), although not totally wrong or without any success, is on the whole too costly a venture, whose loss outweighs the gain. It is a "disaster" and a "big failure."

Such a view does not hold water. True, socialism in the 20th century is not all desirable, even to the socialists. The mistakes made in building socialism are grievous and heartbreaking, which no sober-minded socialist can deny. However, exaggerating these mistakes and losses is not proper, nor should they be used to obliterate the enormous historical exploits of socialism. The mistakes and losses of socialism cannot be compared to its tremendous accomplishments, particularly in the area of promoting human progress. To begin with, socialism has accelerated the modernization process of most genuine socialist countries, which more often than not had a rather backward social basis and faced pressing tasks of modernization from their very inception, and maintained a high growth rate for a long period of time, basically accomplishing modernization within several decades. The growth rate and the results achieved by the Soviet

Union in modernization in the 1930s and 1940s were the envy of many countries at the time. That the postwar Soviet Union became a superpower capable of rivaling the Western world has a lot to do with its rapid modernization under socialism. Although socialism has gone through some twists and turns and the system needs improvement, it has played a crucial role in pushing backward countries onto the path of modernization. This fact is undeniable. These socialist countries have failed because they did not, after attaining initial modernization, make timely changes in their structure to keep up with the "information age."

Second, socialism performed immortal service to the victory of the world's anti-fascist war. In the late 1930s and early 1940s fascist Germany, Italy and Japan had vast regions of Europe, Asia and Africa under their iron heels, and the very survival of human civilization was at stake. In this unprecedented war between civilization and barbarism, between progress and retrogression, between democracy and autocracy and between survival and death, the socialist Soviet Union became the main force in defeating the German and Italian fascists and sustained monumental national sacrifices. China was the principal theater in fighting the Japanese fascists, with the Communist Party of China, a Marxist political party, and the armed forces and people under its leadership emerging as the mainstay in the resistance. With its immense contributions in saving civilization and prevailing over evil, socialism became a shining banner under which hundreds of millions of people were rallied.

Third, socialism prompted reforms of the capitalist system and pushed capitalism to a higher stage. During and following the great capitalist crisis of the 1930s, a reformist movement emerged within the capitalist world. Most developed capitalist countries adopted socialist principles and methods to varying degrees and made rather substantial readjustments to their systems. State intervention in economic life increased, social welfare and social security systems were developed, basic civil rights of the working people were gradually improved. That postwar capitalism experienced a period of relative stability and

growth and that developed capitalism rapidly switched to the information society had much to do with the above-mentioned reform and readjustment. Capitalism could hardly have achieved those accomplishments without the influence of socialism. Even the Kuomintang in Taiwan copied the land reform of the socialist mainland.

In addition, socialism played a major role in promoting struggles of the Third World against colonialism and for national independence and liberation and made great contributions towards transforming the inequitable world order and establishing a new one.

In short, 20th-century socialism achieved great success and performed indelible service. At the same time, it committed serious errors and caused certain losses, showing the immaturity of early socialism. It has to be noted, however, that the errors and losses were caused by many factors, the important ones being feudal legacy and encirclement, blockade and interference from capitalism. It is not fair to attribute all the errors and losses to socialism itself and negate it altogether accordingly.

The second question: Is socialism inevitable and rational and does it have scientific value?

On grounds of citing errors in the socialist system and policies, Western scholars and politicians, represented by Hayek and Brzezinski, try to negate totally the theoretical foundation of socialism, claiming that socialism is fundamentally flawed "philosophically." They assert that socialism is illogical, irrational and unscientific, and that it exaggerates the role of reason, advocates violence, absolute power, class struggle and hatred and ignores pursuit of individual freedom and other fundamental rights.

It should be pointed out that Hayek and Brzezinski have failed to heed all the facts. They have avoided discussing reasons for socialist success and focused only on causes for socialist failure. They have commented only on the shortcomings of a given socialist structure, particularly on "Left" features and their consequences, and have been reluctant to analyze scientific socialism. Yet socialism has already abandoned the

ossified structure and "Left" features and reasserted itself as scientific socialism. Ignoring the existence of scientific socialism and replacing socialism with a social structure that cannot fully reflect socialist principles and the "Left" thinking that goes completely against these principles are, in a way, like putting the cart before the horse or putting the boot on the wrong foot. Such mixing is impermissible in scientific debate. One cannot help questioning the validity of the conclusions so reached that deny the rationality and scientific value of socialism. However, it would not be fair to charge them for failing to analyze socialist principles. They have vehemently criticized class struggle, violent revolution, proletarian dictatorship and other components of socialist theory. Yet they have criticized socialist "advocacy" of violence and class hatred in such abstract terms as to ignore the defects of capitalism and its suppression of the socialist movement as well as the resistance of feudal forces. Scientific socialism does not blindly worship violence or class struggle. Why should socialists want to bleed or give their lives if social transformation and social progress can be achieved peacefully? The bourgeoisie should not forget its own selfishness and prejudices, its brutal suppression of the socialist movement, and its zeal to use violence against socialism. In fact, violence is not all bad as far as social evolution is concerned. Even if we should regard violence as "bad" or "disastrous," then capitalism must share the blame.

As a matter of fact, socialism, including its theory and movement, is based upon its inevitability and rationality and has undeniable scientific value. This is because: (1) Socialism has produced a fairly scientific analysis of capitalism in the early stage and the basic contradictions in capitalist society, which has broadened people's knowledge of capitalism. (2) Socialism gives expression to man's desire for justice and a better society and points the direction for human progress. (3) Socialism conducts scientific exploration of such basic issues confronting human society as the individual and society, the individual and the group, freedom and coordination, instinct and reason, efficiency and equality, society and environment, and provides

different and in many ways better solutions conducive to a vigorous, sustainable and harmonious development of society. (4) The existence and development of socialism are helpful in prompting capitalism to better address its inherent contradictions and social problems and pushing it towards socialism. The development of human society calls for exploration, experimentation and competition of different systems and alternative roads of social development. Human society will, through peaceful competition and cooperation among different systems, reach a higher level of unity of diversity. Despite certain extremist tendencies in socialist theory and practice, nothing can obscure or eliminate the inherent rationality of socialism. People need this treasure house and must make full use of it for their own betterment. When human society becomes increasingly integrated in this epoch of "global village," the rationality of socialism will show even greater power.

The third question: Does socialism have vitality and a bright future?

Since in their view socialism is a failure and its theory a mistake, Hayek and Brzezinski have found it quite convenient to foretell its demise. By the 21st century, "neither Marxist theory nor past communist practice will dictate much—if any—of ongoing public policy."² "It portends the growing likelihood that by January 1, 2000, the social forecasters may assign to the communist doctrine—this time with genuine justification—as little importance for the future of the twenty-first century as was the case—much less justifiably—with their predecessors a hundred years earlier."³ In their view, the 21st century is destined to be a capitalist century.

Declarations of this type have been heard repeatedly throughout the development of socialism. It is strange, however, that socialism has not come to its "end," as capitalist prophets predicted, but has made constant progress. Towards the socialist crisis in the late 20th century the bourgeoisie was ecstatic and impetuous to jump to the conclusion that a general crisis had befallen socialism, which was bound to "end" this time. However, since it has not paid due respect to the basic facts, made any

scientific analysis of the nature and causes of the socialist crisis, or correctly understood the causes for the emergence and development of socialism, and since it remains under the influence of bourgeois narrowmindedness and prejudice, its conclusion can only be ill-founded and its prediction come to naught.

Socialist theory and practice have an economic and historical rationality that cannot be denied. Of course, socialism will, as it has, suffer setbacks, but it will keep growing and play an increasing role in furthering human progress. Socialism represents the future and the great trend in human development. Socialist victory is inevitable. That trend is manifesting itself vigorously in the world today. In developed capitalist countries socialization of production in the information age is intensifying, even private ownership has become more and more sophisticated, so much so that a trend towards "socialization of capital has emerged." Consciously or not, developed capitalism is putting in place all the basic conditions for socialism. The socialism envisaged by Marx is a social system that emerges on the basis of a highly developed capitalist mode of production. Nothing like that has ever appeared. The genuine socialist countries were all born out of feudal society, before a capitalist mode of production consolidated itself. One easily gets confused if one fails to note the vast difference between the two. As a result of the low sociohistorical starting point, genuine socialist countries can go through only a primary stage, where feudalism and other erroneous thinking will claim tolls on socialism. However, having experienced certain pains in this phase, socialism will move forward into the secondary stage and become more modernized and mature. Socialist crisis is a crisis in development and not some "general crisis." In some socialist countries, such as China, socialism is on the march and the crisis is receding. Having stood the test of crisis, socialism will abandon its outdated theories contrary to socialist essence and establish new principles and systems more responsive to the times, thereby ushering in a new phase of socialist rejuvenation.

The 21st century will be a bright century for socialism, in which socialism will keep making significant progress and will

be warmly embraced by the people. We are full of confidence about this prospect. True socialists throughout the world will struggle for the bright future of socialism. They will win.

Notes

1. *Selected Works of Deng Xiaoping (1975-1982)*, People's Publishing House, 1983, p. 153.
2. Zbigniew Brzezinski, *The Grand Failure—The Birth and Death of Communism in the Twentieth Century*, April 1989.
3. *Ibid.*

Chapter 12

Study Deng Xiaoping Thought and Strive for the Resurgence of Socialism and the Success of China's Modernization

At a time when the world is undergoing upheavals and socialism is seemingly at a low ebb, the bright banner of Deng Xiaoping Thought is unfurling itself over the land of the dragon. Guided by this banner, the Chinese people have achieved tremendous success in less than two decades and will continue to build on this with a view to transforming China into a prosperous, democratic and culturally advanced socialist state by the mid-21st century.

Our ancestors made great contributions to world progress, which will inspire us to surmount all obstacles in the way to achieving the success of China's second revolution and the resurgence of socialism. This will be our new contribution to world civilization.

I. Deng Xiaoping Thought Embodies the Spirit of Our Times

All scientific thoughts derive from the material and spiritual conditions of a given time and respond to its exigency. They do not take shape in isolation, but are deducible directly or indirectly, explicitly or implicitly, from the fruits of existing scientific thoughts, on which they build and develop under new historical conditions until an ideological leap is achieved. Deng Xiaoping Thought took shape under the historical conditions of the 20th century, when the world was in the throes of great upheavals and socialism seemed to be at a low ebb. It offers a scientific answer by the Chinese Communists to a series of vital issues confronting the contemporary world, especially the eco-

nomic underdeveloped countries striving to build socialism—an answer deriving from positive and negative national as well as international historical lessons, which meets the exigency of the epoch. Deng Xiaoping Thought inherits, enriches and builds on Mao Zedong Thought and represents a "second leap" in the integration of the universal truth of Marxism with contemporary China's practice. It also represents a new conceptual leap in the mind of the Chinese people as they study and assimilate the world's latest cultural and scientific achievements. It conforms to the historical trends of peace, reform, competition and development, which highlight the lofty spirit of the epoch.

First, Deng not only expounds Marxist dialectical materialism more accurately and scientifically, but has built on it by incorporating the positive results of new systems science, which figure prominently in the entire philosophical structure. The integration of materialism, dialectics and the new systems science thus achieved is a development of Marxist philosophy under the new historical conditions. Deng's contribution in this regard helps us to better understand and transform the world and to have better insight into the systematization, integrity as well as diversity of the world. This is an instance of philosophical thought meeting the new demands of the developing world.

Second, as regards the general trend of contemporary world development, Deng points to modernization as the option for contemporary humankind transcending social systems. In a bold and farsighted manner Deng puts forward a strategy calling on the Chinese people to "look out to the world, face the future and get on with modernization." He has drawn a blueprint designed to transform China into a thriving modern socialist country by the mid-21st century. Basing himself on this strategy, he has successfully led China's great revolutionary shift from the chaos of class struggle to all-out economic construction, thereby putting China back in the mainstream of contemporary world development.

On the question of system option in contemporary social development, Deng Xiaoping Thought is unfettered by the old

tenet according to which the transformation from capitalism to socialism can be accomplished only by violent revolution. Uninhibited by narrow precepts, such as "two opposing camps" and the division of "three worlds," he ascertains that peace and development are the main trend of contemporary world development. He has formulated the concept of "one country, two systems" to bridge a historical chasm and transcend ideological division, thereby providing an invaluable theoretical guidance to resolve the vexing problem of social system option.

On the question of building socialism with Chinese characteristics, Deng's theory proceeds from reality, integrates the universal truth of Marxism with China's actual situation and draws on historical experience at home and abroad. It is a negation of the traditional mode of socialism. It proclaims a scientific socialism that is based on China's realities and compatible with historical trends and is an inheritance, enrichment and development of Marxism, Leninism and Mao Zedong Thought. It meets the exigency of Chinese and world history and underlines the link between them. This is a theory that exudes the fresh air and spirit of the times. Just as scientific socialism is the core of Marxism as well as the theoretical end result of Marxist philosophy and political economics, so also building socialism with Chinese characteristics is the core of Deng Xiaoping Thought—the theoretical end result of his philosophy, world trend, and social system option.

Socialism with Chinese characteristics has very wide connotations. Its premise is: "Emancipate our minds and seek truth from facts," "blaze our own trail" and "identify the primary stage of socialism." "One central task and two basic points" is the theoretical framework. It calls for boldness to probe and experiment as a strategic opener. This gigantic undertaking will have far-reaching impact beyond China—on the historical destiny of the international communist movement, as well as on world peace, development and human progress.

Socialism with Chinese characteristics is the quintessence of the spirit of the times embodied by Deng Xiaoping Thought. It will greatly enhance China's economic strength, and hence her

comprehensive potential, with the effect of accelerating the multipolarization of international relations favorable to the forces working for world peace. As China, the biggest among developing countries, builds up her economic strength, it will enhance the position of developing countries in North-South economic relations, spur world development and help redress the irrational international economic order. The process will help overcome the flaw of the traditional socialist structure characterized by lack of vigor and vitality, thereby rendering great impact on reform and construction in other socialist countries as well as on the progressive cause of humankind. This will largely help to restore and enhance the attractiveness of scientific socialism in the face of the new technological revolution and the grave challenges of contemporary capitalism and to pull the international communist movement out of the doldrums in which it has landed. Such is the exigency of the times.

Deng Xiaoping Thought owes its epochal spirit to dialectical materialism based on practice, which it inherits and which is characterized by the unity of science and revolution. Practice is the principal criterion distinguishing dialectical materialism from all schools of idealism or mechanical materialism. The former stresses the crucial role of practice in cognition and philosophy, emphasizing that all theories must be put into practice, guided and tested by it, thereby testifying to their validity and scientific nature. It may be said that practice and science are the life and soul of dialectical materialism. There can be no dialectical materialism void of practice and science.

Practice, in the sense of social practice by the masses of people, commands immense revolutionary power relentlessly pushing social development. Practice denotes that dialectical materialism is thoroughly revolutionary. The unity of revolution, righteousness and science makes for an exuberant vitality keeping dialectical materialism in pace with social practice and maintaining its validity at all times.

Deng Xiaoping Thought is imbued with dialectical materialism, which lays special emphasis on practice. He faces staggering challenges of the contemporary world, not least of which

is building socialism in a laggard Oriental land mass, but he will not be bound by textbook dogma, nor does he allow himself to be restrained by past practice in China or befuddled by flashy foreign models. Proceeding from reality, he affirms practice as the sole criterion to assess events in China or the world. Herein lies the epochal spirit and strength of Deng Xiaoping Thought.

Marxism is not isolated, sealed or static, but closely linked to the achievements of human civilization, which it stands ready to assimilate. It is ready to discard old theoretical conclusions that practice has proved wholly or partially incorrect and to accept what practice has verified to be correct new conclusions. It is also ready to improve or enrich its theoretical system in the course of interaction and assimilation with other systems of science and culture. Deng Xiaoping Thought represents a "second leap" in the fusion between the universal truth of Marxism and present-day China's realities. Deng Xiaoping Thought is identical with Marx's philosophical basis, hence it is also not isolated, closed or static, but identifiable with all sciences and culture of humankind, maintaining its openness and potential for development. Notwithstanding the recentness of its formation, Deng Xiaoping Thought stands as the crystallization of the experience gained by the second generation leadership of the Chinese Communist Party in the course of guiding the practice of the people and Party. It has demonstrated and will continue to demonstrate its immense power in pushing the Chinese people's great undertaking of reform, opening up and socialist modernization. As this undertaking goes forward, the whole Party and nation will enhance their understanding of the scientific value, epochal spirit and real-life significance of Deng Xiaoping Thought.

II. Deng Xiaoping Thought—An Effective Ideological Weapon Primarily to Fend Off "Left" While Guarding Against Right Deviations

More often than not, a proletarian party's correct line suffers assaults by erroneous tendencies from the "Left" or

Right. Both tendencies, being reflections of non-proletarian ideologies within the party, are characterized by a split between the subjective and the objective, as well as a divorce between knowledge and practice. Essentially, however, they are mutually commutable and can switch places under given conditions. Ideologically, the Right deviationists lag behind reality and are prone to beat a retreat. Politically, they easily abandon principles, dare not wage a struggle and always yield to hostile pressure. The "Leftists" often overreach a given stage of objective development and are driven to fantasy and putsches. Politically, they unnecessarily widen the scope of attack and wage excessive struggles. Both deviations hinder the party from carrying out a correct line and seriously jeopardize the cause of the people and the Party. Therefore, they should be prevented and curbed. In its more than 70 years' history our Party has been afflicted by both Right and "Left" deviations, but the deeply rooted "Left" deviation has wrought the longest havoc and caused the greatest damage. The same thing has occurred even in the past decade or more of our reform and opening up and in our drive for socialist modernization. We look to Deng Xiaoping Thought as the most effective weapon to prevent and overcome those deviations.

Over a long period of time our Party's predominant understanding and interpretation of the law of the unity of opposites, which forms the very basis of dialectical materialism, tended to overstress the opposition aspect of contradiction at the expense of the identity aspect. Philosophical terms such as "difference," "contradiction," "opposition" and "struggle" were not adequately studied or differentiated. Hence, it was held that "difference means contradiction" and "opposition denotes struggle." In an oversimplified manner the scientific law of the unity of opposites was reduced to "one divided into two." "Struggle within a contradiction is unconditional and absolute" came to be regarded as the core of dialectical materialism. Those who affirmed identity within contradiction or advocated "incorporating two into one" were branded heretics.

The consequence of this ill-conceived philosophical guid-

ance was compounded by the long-term negligence of and scorn towards the dialectical-materialist theory of knowledge. This inevitably led to straying from reality and indiscriminate inner-Party and class struggles, culminating in a deluge of "Left" fallacies. It can be said that this unscientific understanding and exposition of the basic law of the unity of opposites and negligence of the ideological line of seeking truth from facts were the philosophical source of the rise and rampancy of "Left" fallacies.

Deng Xiaoping's philosophical thought has surmounted the flaws and deviations in our Party's traditional philosophical thinking. He carefully looks into identity of contradiction and sets out to analyze various philosophical terms, such as "difference," "contradiction," "opposition" and "struggle." He emphasizes in particular the importance of the dialectical-materialist theory of knowledge and has energetically advocated the ideological line that calls for seeking truth from facts, proceeding from reality, linking theory with practice, and making practice the sole criterion for verifying truth. He has thus provided us with a scientific philosophical weapon to fend off Right deviation and the "Left" fallacies in particular.

There is no question that many of our Party's basic tenets guiding China's socialist revolution and construction in the earlier period were correct, including those regarding the correct handling of contradictions among the people, people's democratic dictatorship, and the ten major relationships, but there was a serious flaw. They failed to attach due importance to the need for developing productive forces, thus leaving an opening for "Left" erroneous tendencies, such as the excessive stress on class struggle, culminating in indiscriminate class struggle and the slogan of "taking class struggle as the key link." Deng succeeded in rectifying those aberrations and launched the theory of building socialism with Chinese characteristics. This theory attaches great importance to the development of productive forces, which has since become the "overriding task" throughout Chinese socialism's primary stage. Guided by this theory, our Party has succeeded in re-ordering its priority by

setting out the basic line of pursuing economic construction as the overriding task, thereby forestalling a repetition of the "Left" excesses in class struggles.

The salvoes of the Russian October Revolution conveyed Marxism-Leninism to China. Since its birth our Party came under the direct influence of the Russian Communist Party (Bolshevik), founded by V. I. Lenin. For a long time after the founding of the Bolshevik Party loose and faction-ridden parties of the Second International not only theoretically and politically waded in the quagmire of Right opportunism, but also followed a Right opportunist line organizationally. Under those circumstances Lenin had to throw himself into the fight against the Right opportunism of the parties within the Second International in order to build a party capable of leading the proletarian revolution. Moreover, before the October Revolution "Left" opportunism in the Bolshevik Party had not emerged organizationally or had yet to develop into systematic opportunism. Hence, Lenin's thesis on party building took shape largely in the course of his struggle against Right opportunism relating to party organization. He had to accentuate strict democratic centralism and "unified iron discipline" as a preemptive against Right opportunism.

This inclination in Lenin's thesis on party building had the effect of institutionalizing rigorous self-criticism and struggle within our Party since its inception. Tightened organization and discipline preempted organized systematic Right opportunism. Concomitantly, our Party was deprived of adequate ideological preparedness or theoretical guidance to fend off "Left" opportunism from early on. Deficient theoretically, our Party had to throw itself immediately into cruel, protracted revolutionary struggles scarcely after it came into being, so it could hardly recognize or rectify this aberration in Lenin's theory on party building.

During the Yan'an era some leaders of our Party became aware of this flaw in Lenin's theory on party building. Nonetheless, this did not catch the serious attention of the whole Party, owing to various factors. No necessary remedial measures were

taken in subsequent theoretical studies or actual organizational work in the context of party building. Under these circumstances the inherent narrow-mindedness of the peasantry and petty-bourgeoisie who made up the bulk of our Party's membership was apt to develop into "Left" deviation, leading to grievous excesses in class and inner-Party struggles. It was like a torrent rushing down a river between two embankments. The solidly built dike would withstand the flood, whereas the poorly erected embankment would give way and crumble. As Comrade Liu Shaoqi pointed out, "The rampant 'Left' opportunism in inner-Party struggle and organization work in the Chinese Communist Party derives from the specific environment and conditions under which the Party had to operate."

It was only after the Third Plenary Session of the Eleventh Central Committee of the Chinese Communist Party, when Deng Xiaoping's theory on party building was crystallized and espoused by the entire Party, that the circumstances alluded to by Liu Shaoqi were fundamentally changed. In combating erroneous tendencies, Deng Xiaoping's theory on party building lays heavy stress on conducting the struggle on both fronts. The Party should oppose both Right and "Left" deviations, but the brunt should be directed against "Leftism." He holds that both Rightism and "Leftism" can destroy socialism, but the greatest danger emanates from the "Left." Since the Third Plenary Session of the Eleventh CPC Central Committee and under the guidance of Deng Xiaoping Thought our Party has instituted a series of effective policy lines and measures in the realms of ideology, organization and style of work. This has greatly reinforced the Party ideologically and organizationally to correctly carry out inner-Party struggle and to combat Right or "Left" deviations, particularly the latter.

For a long time, the notion that "Left" was better than Right dominated the minds of many people. This was due to the muddled idea that Rightism was a cardinal sin of standing on the wrong side, whereas "Leftism" was only an erroneous method. The underlying cause, however, was the abnormal political life that people had to go through for a long time. Beginning in

the late 1950s, when "Leftism" held sway, anyone who allegedly committed or was falsely charged with Right mistakes came to grief politically and financially. "Leftism" was prone to mislead people with revolutionary rhetoric. It often resorted to blackmailing people with unfounded charges. Therefore, the notion that "Leftism" was better than Rightism was deeply ingrained in people's minds. In order to rectify this anomaly, we should invoke Deng Xiaoping Thought to repudiate these fallacies and prevent both deviations and to put an end to the paradox that Rightism would bring disaster, while "Leftism" would be rewarded. Without the sharp ideological weapon of Deng Xiaoping Thought it would be impossible to eradicate the erroneous notion that "Leftism" is better than Rightism.

Since the late 1920s the historical process of the Chinese revolution has been plagued by "Left" tendencies. Even now in the course of our reform, opening up and modernization drive we are still thwarted from time to time by lingering "Left" tendencies. For instance, at the beginning of the 1990s some theorists and politicians clinging to a "Left" stand tried to intimidate people with the frightening charges that reform and opening up were "introducing and nurturing capitalism" or that "the principal menace of peaceful evolution towards capitalism is lurking in the economic sphere." They were trying to replace the correct line of "one center and two basic points," implemented since the Third Plenary Session of the Eleventh CPC Central Committee, with the call for combating so-called "peaceful evolution." Hence it is incumbent on us to invoke Deng Xiaoping Thought to press on with the campaign against Rightism, while primarily holding the line against "Leftism."

III. Grasp Deng Xiaoping's Philosophical Mode of Thinking in Order to Achieve Accurate and Comprehensive Understanding of His Thought

Deng Xiaoping Thought represents the "second leap" in the integration of the universal truth of Marxism with China's current circumstances. It is the motive force behind China's

drive for reform, opening up and socialist modernization in the wake of the Third Plenary Session of the Eleventh CPC Central Committee. In order to ensure that the basic line enacted at the said session remains "unchanged for a hundred years" and to achieve success of the reform, opening up and socialist modernization program, we must effectively and firmly adhere to Deng Xiaoping Thought.

How are we going to accomplish this?

Deng Xiaoping Thought is an integral scientific system. Its living soul lies in his philosophical mode of thinking, which integrates materialism, dialectics and modern systems theory. The philosophical mode of thinking commands all other components of Deng Xiaoping Thought, such as his views regarding contemporary world trends and characteristics. Therefore, it is necessary to hold this key in order to grasp Deng Xiaoping Thought integrally.

As a component of his philosophical thought, Deng's philosophical mode of thinking has captivating power and very rich contents. Above all, it lays great stress on practice, calling for seeking truth from facts, proceeding from reality in all circumstances, integrating theory with practice, making practice the sole criterion in verifying truth, pursuing, examining and developing truth in the course of practice. Second, it is an integral systematic mode of thinking. It treats and analyzes an object as an integral system and may be called systematic analysis, systematic synthesis, dialectical system integration and dialectical system structuring. This is a Marxist mode of systematic thinking in a nutshell. Third, it is a strategic and previewing mode of thinking that monitors the development and movement of an event to define its future course. This is the way to grasp the essence and the general trend. It is forward-looking and facilitates planning for the future.

Deng Xiaoping's philosophical mode of thinking is an integral system. It inherits, enriches and develops Mao Zedong's mode of philosophical thinking. It exudes the spirit of the epoch. It will help us to grasp Deng Xiaoping Thought and put it into effect in the great undertaking of reform, opening up and

the socialist modernization drive.

Of course, when we stress the importance of Deng's mode of philosophical thinking, we should by no means neglect the other components of Deng's thought, but should use the former as a tool to grasp the latter. There is no question that we need to carefully study in particular the theory on building socialism with Chinese characteristics, which is the core of Deng's thought. All these components are applications of Deng's mode of philosophical thinking to the study of major contemporary world problems and to the practice of China's socialist modernization. Their theoretical and practical significance should not be underestimated. At the same time, we should correctly understand and comprehend Deng Xiaoping Thought as an integral scientific system. A mechanical understanding of Deng's specific notions about contemporary world events or China's modernization or a one-sided understanding of his remarks out of context of the specific circumstances can hardly serve the cause of reform, opening up and modernization. Even worse, we may stray from the correct path charted by Deng.

Even before the Third Plenary Session of the Party's Eleventh Central Committee Deng stressed that "Mao Zedong Thought must be correctly understood as an integral whole." To do so, he pointed out, "we should have a correct and comprehensive understanding of Mao Zedong Thought as a system and we should be proficient at studying it, mastering it, and applying it as a guide to our work. Only in this way can we be sure that we are not fragmenting Mao Zedong Thought, distorting or debasing it.... We should use genuine Mao Zedong Thought, taken as an integral whole, to guide our Party, our army and our people in order to advance the cause of the Party and socialism in China and the cause of the international communist movement."¹ These references to Mao Zedong Thought are an illustration of Deng's mode of philosophical thinking. That is to say, we should apply Deng's mode of philosophical thinking to enable us to correctly and integrally understand and adhere to the scientific system of Deng Xiaoping Thought.

In the context of the present circumstances we should strive

to understand the philosophical basis of the theory of building socialism with Chinese characteristics and its relevance to the general trend of the contemporary world and what I call humankind's "progress in cooperation." We should dialectically integrate the Four Cardinal Principles with the program of reform and opening up and be well aware of the entailing new features and contents of the Four Cardinal Principles. We should carry out the Four Cardinal Principles and the reform and opening-up program, which constitute the "dual basic points" and which must be subordinate to and serve the "central task" of economic construction. In so far as building socialism with Chinese characteristics is an indivisible, integral whole, we should also upgrade our work in the political and cultural fields. Let us not forget that our goal is to turn China into a prosperous, democratic and culturally advanced modern socialist country. We shall blaze our own path and rely on ourselves to achieve prosperity, but we should also learn from and assimilate useful experiences of capitalism, not to mention the spiritual wealth of human civilization. We should go all out to expand productive forces in order to satisfy the people's rising material and cultural needs. At the same time, we should strive to protect the ecology and conserve natural resources to safeguard our people's long-term basic material and cultural interests. Reform is a means of perfecting the socialist system and promoting the expansion of productive forces. Reform is a revolution that is bound to emancipate the productive forces. This is an experiment. There is no ready-made model or experience. We can only grope and feel our way, but we should adopt a scientific attitude, respect objective laws, project and plan our work ahead. Socialist economy is a planned economy, but it does not exclude the role of the market. Planning and market are means of economic regulation. We espouse public ownership and the principle of "to each according to his work." Both are based on a given strength of productive forces and work towards the ultimate socialist goal of common prosperity. We repudiate the decadent influence of the bourgeoisie. At the same time, we should spare no efforts to eliminate feudalistic ideas. We oppose

Right deviations, but our vigilance should mainly be directed at "Left" deviations. We should uphold the leadership role of the Party, but we also need to improve its leadership.

IV. A Hundred-Year Dream to Achieve China's Resurgence

In the spring of 1992 the Chinese people made a historic option at the behest of Deng Xiaoping. They vowed to adhere unswervingly to the basic line of socialist modernization for a hundred years, in order to turn China into a prosperous, democratic and culturally advanced country. The practice of the past dozen years has borne out that this is a correct line conforming to the interest and aspiration of the Chinese people. It has galvanized the nation and brought about immense economic development and dramatic social transformation. The people have derived great benefits from the reform and are confident of national resurgence. Only by adhering to this line unswervingly for a hundred years can our country be elevated from the current minimum adequacy level to a moderately well-to-do standard of living and to the rank of average developed countries, thereby achieving our goal of socialist modernization.

However, we have a long way to go and there is no plain sailing ahead. We are confronted with numerous crises and fierce competitions in the last decade of this century. First, we are facing many perennially relentless constraints that offer no easy solution. There is the contradiction between a surplus and depletion of resources, and energy supplies are running low. We envisage an immutable pattern of diminishing per capita share of all kinds of resources.

Our living space will further deteriorate owing to the aggravation of ecological woes and environmental pollution. All these will be transformed into great economic pressures, aggravating our predicament in the distribution of limited resources and compounding the difficulty in our socialist modernization program. Our country is now at the stage of takingoff. Economic development is brisk and restructuring has intensified. All

this will inevitably give rise to a host of contradictions, such as overall social needs exceeding the capacity of supply, cyclic fluctuations in economic growth, rising prices, uneven social distribution, and excessive fiscal burdens, which will compound the difficulties in our reform and development.

The course of modernization is a complex historical process involving parallel economic, political and social development, which will trigger acute changes in all spheres of social life and touch off significant readjustments in social relationships. The ensuring social reform and progress will in turn engender political instability, social dislocations and potential conflicts.

The old world pattern has broken down, but a new one has yet to take shape. The international situation in the 1990s seems favorable to us, but regional conflicts and trade barriers have become rife and worldwide economic competition intensifies, all of which will seriously hinder our economic takeoff and development. Scientific reports indicate that from the 1990s to the early 21st century, the movement of the earth is entering a new active phase and the celestial movement is in a new variable cycle, all of which portends that humans may face a difficult time of frequent natural disasters. Given her vast territory, China can contain the losses caused by disasters to a certain extent. As the saying goes, "the sun still shines in the West when it is dusk in the East," which means "when the northern provinces are hit by a disaster, they can expect relief from the south." In general, however, given her low productive capacity, China can hardly withstand or cope with the onslaught of natural disasters. Therefore, her economic development and social stability are overshadowed by the constant threat of natural disasters.

Inasmuch as reform and opening up and the modernization drive constitute China's second revolution, they mean not only a revolution in her laggard productive forces as well as her economic and political structures, but a revolution in her millennia-old culture and ideology. Its extent and impact far exceed those of the "first revolution," which brought New China into being. Hence, it will encounter great difficulties and resist-

ance. Just as Comrade Mao Zedong pointed out on the eve of the founding of New China: "To win countrywide victory is only the first step in a long march of ten thousand li.... After several decades the victory of the Chinese people's democratic revolution, viewed introspectively, will seem like only a brief prologue to a long drama.... The Chinese revolution is great, but the road after the revolution will be longer, the work greater and arduous."²

Confronted with such an arduous task of the "second revolution" and the prospects of both adversities and opportunities as well as hopes and crises, we require more than revolutionary fervor and determination to carry out the Party's basic line through a hundred years to turn China into a prosperous socialist country by the mid-21st century. Most important and decisive is to have a scientific ideological weapon that derives from China's as well as the world's objective realities and integrates the universal truth of Marxism with the practice of China and the world. It assimilates the fruits of civilization and embodies the lofty spirit of the times. It is verified by practice to be scientific and authentic and is capable of rallying 1.1 billion Chinese people and 40 million Chinese Communists. What is this ideological weapon? It can only be Deng Xiaoping Thought. To use Deng Xiaoping Thought as an ideological weapon in their second revolution—this is the option 1.1 billion Chinese people and 40 million Chinese Communists made in the course of China's socialist modernization drive. Indeed, this is the option made by history.

Let us refresh lessons from our history. During the period of the New-Democratic Revolution, it was only after an arduous struggle lasting 14 years and after having rectified Right, but especially "Left," deviations in its guiding ideology that our Party came to affirm at the Zunyi Meeting the correct line represented by Comrade Mao Zedong for directing the New-Democratic Revolution. It took another decade of testing and tempering in the course of revolutionary struggles and practice for Mao Zedong Thought to be crystallized, thereby accomplishing the "first leap" in the amalgamation of the universal

truth of Marxism with China's realities. At the Party's Seventh National Congress Mao Zedong Thought was affirmed as the Party's guiding ideology, which enabled us to win the victories of the War of Resistance Against Japan and the War of Liberation and culminated in the founding of New China.

Again, in the ensuing socialist revolution and construction and after 29 years of tortuous search and tribulations, the Party succeeded in overcoming the Right, but especially the "Left," deviations that had dominated the Party's guiding ideological line for two decades and, at the Third Plenary Session of the Eleventh Party Central Committee, affirmed the correct line represented by Comrade Deng Xiaoping, which would henceforth guide our socialist revolution and socialist construction. In the ensuing decade and more of testing and tempering in the process of reform, opening up and the modernization drive, Deng Xiaoping Thought was crystallized, thereby accomplishing the "second leap" in the amalgamation of the universal truth of Marxism and China's realities. Our Party and nation have since espoused Deng Xiaoping Thought as the beacon that enables them to win great success in reform, opening up and socialist modernization, which stuns the whole world.

History has demonstrated that victory of the New-Democratic Revolution was won thanks to the guidance of Mao Zedong Thought, which was the powerful ideological weapon that helped accomplish this feat. By the same token, we shall rely on the powerful ideological weapon of Deng Xiaoping Thought to win victory of the socialist revolution and construction. It can be said that Mao Zedong Thought was the banner of China's "first revolution" and Deng Xiaoping Thought is the banner of her "second revolution." Only by relying on the scientific strength of Deng Xiaoping Thought and persevering in the Party's basic line for a hundred years, can we overcome all difficulties and obstacles in the way of the reform, opening up and socialist modernization drive and accomplish China's resurgence by the mid-21st century—a national destiny and dream for which generations of Chinese people have fought and sacrificed since the mid-19th century.

Let us rally under the banner of Deng Xiaoping Thought and rely on its scientific strength and go all out to win the victory of China's "second revolution" and to realize the grandiose ideal of China's resurgence. The victory of China's socialist modernization will mark the resurgence of world socialism.

Notes

1. *Selected Works of Deng Xiaoping* (1975-1982), People's Publishing House, 1983, p. 39.
2. *Selected Works of Mao Zedong*, Vol. IV, 2nd edition, People's Publishing House, p. 1438.

Epilogue

Meditation at the Juncture of the Past and Future of History—Interview with the Author by Xue Dezhen, Director and Editor-in-Chief of the People's Publishing House

Time: 8:00 p.m., July 22, 1992

Place: Bingzhou Hotel, Taiyuan

Xue: This is the fourth occasion of our cooperation. Your books *Systems Dialectics*, *The Marxist Theory of Systems* and *On Comprehensive Management Theory* have made a great impact in intellectual circles since their publication by this house. Now after reading your new book, *On Deng Xiaoping Thought*, I highly admire your zeal in theoretical exploration. I think we should make great efforts to encourage our Party cadre, especially those of medium and senior ranks, to link their practical work with theoretical studies. Could you say something about the purpose and process of your research in order to help readers gain a better understanding of your book?

Author: Those books you have referred to were written by squeezing time from a tight work schedule. A few years ago, when I was working on *Systems Dialectics* and *Comprehensive Management Theory*, I began my research in Deng Xiaoping's writings, which benefited me immensely, especially by way of clarifying certain basic points of socialism. Since then I have been looking into Deng Xiaoping Thought in an overall and deeper sense in light of my own philosophical and economic theories, which have taken shape in the process. Starting from the second half of 1990, I have intermittently jotted down notes

of my findings. I know I am not equal to the job, but I hope that my research may help people have a proper understanding of the comprehensive scientific value and historical importance of Deng Xiaoping Thought. In the new period of the socialist modernization drive the entire nation and Party should unswervingly advance the cause of reform and opening up under the guidance of the banner of Deng Xiaoping Thought.

Xue: I anticipate that your new book will attract wide interest, but probably not all will agree with your views.

Author: It is not a Marxist attitude to expect everyone to agree with you or to deny dissenting views. To date there has never been a thinker whose views were entirely accepted by everybody. It seems to me, therefore, that it is nothing terrible to hear dissenting views, for that can push Marxism forward. Debates help shed light on truth. Clashing of divergent views often produces sparks of truth, which elevate science to a new peak.

Xue: As you said, you have turned around to make an overall and in-depth review of Deng Xiaoping Thought in light of your own philosophical and economic notions. This seems quite normal to me. Now Deng Xiaoping Thought is the object of study. The extent of a researcher's comprehension of his object is invariably determined by his own quality, span of knowledge, approach and focus of observation, mode of thinking, ability of expression, etc. When ten researchers study the same object at the same time, findings will exhibit different traits and will never be identical. Even when ten artists or photographers work on the same object, their paintings or pictures will show traits distinguishable from one another. So long as everyone pursues his research or creation in a serious and sincere manner, that is permissible and should be encouraged. In the intellectual and cultural realm it is necessary to adhere to the policy of "letting a hundred flowers blossom and a hundred schools of thought contend."

Author: I agree with you entirely. When I worked on this book, I never expected everyone would agree with all that I had written, but I was indeed very serious in my study of Deng

Xiaoping Thought. I was excited by what I deemed to be a gleam of revitalization of socialism, which prompted me to write the book. I was under an impulse to write, however inept I may be. I was indeed very serious in this enterprise. I am open to all critics, including Comrade Deng Xiaoping himself. Even if I come under criticism for what I wrote, I would consider that a reward. It seems to me if a publication fails to draw any concurring or dissenting response, as if it had caused no ripples in the intellectual ocean, I might as well not have written or published it. It would be a sheer waste, wasting human and material resources, wasting the time and energy of the readers and publishers.

Xue: To be frank with you, after the dramatic upheavals in the Soviet Union and eastern Europe, I was really very worried whether socialism could hold its ground. There was no question that we should stand up against "peaceful evolution," but I was afraid that if our measures were not persuasive and convincing enough, we should not be able to provide our people with a spiritual prop. Now after reading your book, *On Deng Xiaoping Thought*, I am reassured. Comrade Deng Xiaoping's theory and practice on reform and opening up and on building socialism with Chinese characteristics have not only put China onto a practical road of success, but also pointed out the way to revitalization of socialism. I believe that so long as we stick to the road charted by Deng Xiaoping Thought, we need not be pessimistic, but can march forward triumphantly.

Author: Deng Xiaoping Thought imparts a theory on socialism that is creative and vigorous, lucid and concise, and fully identical with the people's interests. To put it more precisely, Deng Xiaoping Thought goes along general world trends and answers the needs of China's current situation and socialist modernization. It is a great creation emanating from the integration between Marxism-Leninism-Mao Zedong Thought and the practice of contemporary China's second revolution.

Xue: I agree with you. Deng Xiaoping Thought is a self-contained, integral, scientific, theoretical system with unique ideological value. In recent years many studies of Deng Xiao-

ping's works have been published at home and abroad with gratifying results, but they seem to fail in grasping the essential. Your writing is clear and has reached a theoretical high ground. It is well knit and contains many original views. I can say that you have succeeded in revealing the enormous innate value of Deng Xiaoping Thought.

Author: Deng minces no words and is always to the point. This adds to the difficulties in the study of his thought. As a result, its innate value has often been underrated. Frankly, it is unfair and dishonest not to accept Deng Xiaoping Thought as a scientific concept, regarding it only as a component part of Mao Zedong Thought. Overthrowing imperialism, feudalism and bureaucrat capitalism and establishing a socialist regime were the mission of China's first revolution. The task of the second revolution consists of reform and opening up and accomplishing socialist modernization with Chinese characteristics. The first revolution gave rise to Mao Zedong Thought. Deng Xiaoping Thought is the great accomplishment of the second revolution. It has made a big stride forward and a veritable leap from the ground covered by Mao Zedong Thought.

Xue: My understanding is that Deng Xiaoping Thought as a total recreation of Mao Zedong Thought is closely linked with the great undertaking of building socialism with Chinese characteristics by the Chinese Communists and the Chinese people. Practice is the fountainhead of theory, as it is also the sole criterion to verify its validity. Deng Xiaoping Thought took shape in more than a decade's practice of reform, opening up and building socialism with Chinese characteristics. The spectacular success of this undertaking has vindicated him. In this process Comrade Deng Xiaoping has made major breakthroughs in the realms of philosophy, economics, politics and sociology. Your writing contains many inspiring views that show the profundity of your research on Deng Xiaoping's philosophical thinking. Could you give us a brief exposition of your main findings?

Author: There are two major points in Deng Xiaoping's

philosophical thinking. One is the materialist world outlook of "seeking truth from facts"; the other is the systematic dialectic methodology of "one dividing into many, many combining into one." These form the basis of Deng Xiaoping Thought. Both Mao Zedong and Deng Xiaoping call for seeking truth from facts, but the latter has made greater breakthroughs and creations than the former. In the system of Mao Zedong Thought "seeking truth from facts" in the context of applying the universal truth of Marxism to the realities of Chinese revolution laid stress on the characteristics of the Chinese revolution in the period of the New-Democratic Revolution. For his part, Deng Xiaoping's context is China's socialist modernization, and he stresses the general trends of contemporary world and China's economic development. Deng's ideas regarding seeking truth from facts include his expositions about the criteria of practice and productive forces, which are as thoroughgoing as they are timely. Deng himself hasn't specifically formulated "one divided into many, many combining into one." This is my own formulation, because it is consistent with the essence of Deng Xiaoping's philosophical thinking and, indeed, the whole system of his thought.

In the international socialist movement as well as in the history of our Party there has always been a tendency towards one-sided understanding of the law of the unity of opposites. As regards the philosophical notion of "one divided into two," in particular, unwarranted stress was laid on opposition and struggle in a contradiction. It was believed that the opposites were mutually exclusive, and hence the notion: if it is not this, then it must be that; "either the East Wind prevails over the West Wind, or vice versa." Under the circumstances of that historical period this mode of thinking was bound to hold sway. Its application to the relationship between socialism and capitalism, class struggle in a socialist society, contradictions in the Party and among the people was bound to unsettle domestic and external politics, economy and culture. Deng's philosophical thinking stresses integrity and systematization and the dialectical unity of identity and diversity. His acumen finds expression

in notions such as "one country, two systems," "common progress in cooperation" in the international arena, coexistence of multiple forms of ownership and the combination of market and planning as the way to common social prosperity.

Xue: Deng's "one country, two systems" concept is often narrowly understood to be applicable to the Hong Kong and Taiwan issues, but you give it special stress and very high evaluation in your book. Could you elaborate on this?

Author: Superficially "one country, two systems" falls in the realm of tactics, yet it boils down to his belief in the option of social system. As an extension of "one country, two systems," there may also be "one earth, multiple systems" and "multiple systems within one country." Different social systems and ownerships are by no means mutually exclusive, but compatible and complementary to each other. It is downright historical idealism to ascribe a capitalist or socialist gag to anything on account of abstract principles or molds without recourse to the criterion of productive forces. In our external policies we once mounted a sweeping campaign against US imperialism, Soviet revisionism and all reactionaries simultaneously. Instead of defeating all these foes, we ended up making too many enemies for ourselves, thereby losing many important opportunities to develop our country. In order to preempt subversion by "peaceful evolution," we need to build up our strength by relying on the superior socialist system. We are confident that as long as we adhere to the principles of peaceful competition and common progress in cooperation, we shall witness, instead, the evolution of capitalist countries into socialist countries under the impact of internal and external factors. If, however, we again allow ourselves to be confounded by the cry of "wolf!" the future of China and that of socialism will be bleak, indeed.

Xue: This is a very interesting observation. I have gone through Chapters 2 to 10 of your book and am impressed by the eloquent logic therein. We Chinese Communists and socialists should have a broad perspective. Our confidence in the revival of socialism is by no means wishful thinking, but based on the belief that socialism can better fulfill the needs of

socialized mass production. During a visit to the Beiling Corporation in Shanghai earlier this year Deng pointed out that in our joint ventures capitalist factors could be put to the service of socialism. What makes Deng a statesman of eminent world stature? Why have Western statesmen and thinkers called his idea of "one country, two systems" a super strategic concept? I think that is because he views the future of human society with historical perspective unimpeded by the confines of time or national boundaries. He is fully entitled to be called the grand Marxist strategist of our time. I sincerely believe that your elucidation of Deng's notion on social system options is provocative. However, if your view is contested or censured, how will you react?

Author: Well, I haven't read all the works of Marx and Lenin, but as I worked on this book, I felt that Deng had grasped the living essence of Marxism and creatively applied it to guide China's socialist modernization. Mao used to lament that there were too few in our Party who really understood Marxism-Leninism. Deng once commented, "What is socialism? We are still not quite clear about it." However, a few conceited comrades, assuming the air of high priests of Marxism, feel free to pass judgment on theoretical subjects and even arbitrarily brand what they don't like as heresy. I don't think this is right. I surmise that the socialist system envisaged by Karl Marx was entailed by highly developed capitalism, whereas all real-life socialist states were erected on pre-capitalist bases, thus over-leaping the capitalist stage. Many of them originated from feudal societies. Whatever their level of development, present-day socialist countries still lag behind the capitalist countries. These modes, unforeseen by Karl Marx, are quite at variance with the socialist society he had earlier visualized. How to link pre-capitalist socialism with post-capitalist socialism—that is precisely the uppermost question of our time, which cries out for a solution. The sole key lies in building up social productive forces. I think herein also lies the cause of why so many comrades in the contemporary socialist movement have come to grief with "Left" errors. At the Thirteenth CPC National Con-

gress Comrade Deng Xiaoping and our Party expounded the thesis of the primary stage of socialism and launched the program of building socialism with Chinese characteristics. He went on to formulate the strategy known as "one central task and two basic points," from which the blueprint of China's comprehensive reform and economic development was deduced. Only then was China delivered from fanatic illusion and put on the right track.

Xue: Why is there all this quibbling about identifying everything as capitalist or socialist? The people know best. "Let them say what they like. We don't give a damn." That's how they dismiss their detractors. Of course, a great mass movement needs theoretical guidance. A sound theory fortifies awareness and confidence in action. As we anticipate the historical events of this decade and the millennium to come, we should accord Deng Xiaoping Thought its rightful historical status.

Author: A friend returning from an overseas trip told me that he had seen written on the pedestal of Marx and Engels' statue in Germany "We have done nothing wrong!" Written on the back was "Let's do it better next time!" There is profound implication in this. Judging from the basic theories of Marxism, there was indeed nothing wrong, but many of their splendid ideas were distorted by their dogmatic followers, who applied them wrongly without regard for the constraints of prevailing conditions. All the major failures and setbacks in the history of the international socialist movement are educable from this. When the international socialist movement suffers setbacks, the latter-day followers of Marx, as we are, should not blame Marx, Lenin or Mao, but should seriously ask ourselves whether we have correctly understood and applied Marxism. After sincere soul searching we should resolutely rectify our errors and return to the right track of Marxism. Comrade Deng Xiaoping is exemplary in this regard. He has summed up the lessons, including the successes and failures of the international socialist movement and our own, thereby putting us on the road of building socialism with Chinese characteristics and bringing new hope to the revival of socialism. As far as we Chinese are

concerned, there is no second chance; we must acquit ourselves well this time.

The achievements of over a decade of reform, opening up and economic development have proved that Deng Xiaoping Thought is a theory of socialist modernization compatible with China's realities and general world trends. As a matter of fact, Deng Xiaoping Thought has been accepted by the whole Party and all the Chinese people as the guiding ideology since the Party's Third Plenary Session of the Eleventh Central Committee. In order to ensure that the Party's basic line of "one central task and two basic points" continues unchanged for a hundred years, we should categorically endorse Deng Xiaoping Thought as the Party's guiding ideology throughout the period of socialist modernization. We should learn Marxism, Leninism and Mao Zedong Thought as basic theories. But above all we should adopt Deng Xiaoping Thought as our guiding ideology, for this may decide the destiny of our Party, our nation and socialism in China.

Xue: Even now all of us, and that includes your book, may not have been able to adequately and accurately appraise the merit and significance of Deng Xiaoping Thought. I wonder if you agree with me?

Author: Yes, I do agree. Building socialism with Chinese characteristics is in progress, so is the development of Deng Xiaoping Thought. I am sure that the passage of time will shed greater light on the splendor and merit of Deng Xiaoping Thought. Then our appraisal may be more adequate, accurate and fair.

Xue: Your book will surely attract wide attention when it comes off the press. We'll have a very bright future if we redouble our efforts to press on with the reform and opening up and modernization drive under the guidance of the great banner of Deng Xiaoping Thought. In this context you have performed an enormous service to our Party, a very good job indeed.

Author: I should like to take this opportunity to thank various central leaders for their encouragement and the People's

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Nanjing University, Zhejiang University and Shanxi University; is concurrently president of the Institute of Systems Science and Social Development, Xi'an Jiaotong University, honorary president of the Humanities College, Beijing University of Science and Technology, consultant to the Management College, Shanghai Jiaotong University, honorary chairman of the Chinese Society for Research on Systems Science, deputy director-general of the Chinese Soft Science Society, vice-president of the Chinese Society for Policy Research, council member of the Chinese Society for the History of Marxist Philosophy, Chinese Society for the Dialectics of Nature and Chinese Urban Economy Society, and honorary council member of the Chinese Mayors Association. He founded the journal *Systems Dialectics*.

Major Works by the Author:

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- Comprehensive Management Theory
- On Deng Xiaoping Thought
- Systematic Dialectical Thinking and Scientific Management
- Urban Management

Books Edited by the Author:

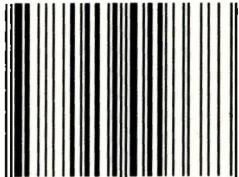
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On Deng Xiaoping Thought

By Wu Jie

In this book the author presents for the first time the scientific concept of Deng Xiaoping Thought in a systematic way. It points out that Deng Xiaoping Thought is a theory that conforms to the main global current and fits China's circumstances and its socialist modernization. It is a great creation which combines Marxism-Leninism, Mao Zedong Thought and the reality of China's contemporary second revolution. In this book the author makes an exposition of both the theory and practice of building socialism with Chinese characteristics and reform and opening to the outside world initiated by Deng Xiaoping, which have revealed a realistic way to success not only for China, but for the rejuvenation of socialism. In this book, which is divided into twelve chapters, the author presents fresh viewpoints and the exposition is well-knit. Not only does the work have a solid theoretical foundation, it also presents many original and valuable insights. Of all the studies of Deng Xiaoping's works published either in China or abroad, this one is essential reading.

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